№ 25 JUNE 1992

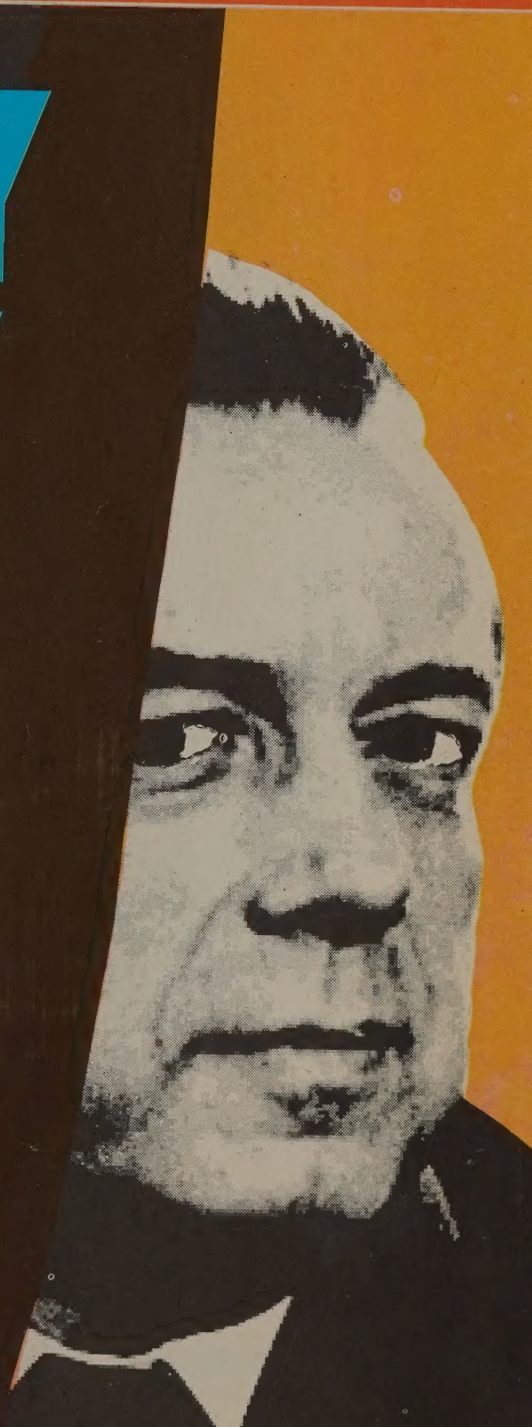
NEW TIMES

PROPERTY OF THE
LIBRARY
07 1992
University of North Carolina
at Greensboro

INTERNATIONAL

ARKADY VOLSKY

HE CONTROVERSIAL
IGURE BEHIND
HE TOP LEVEL
HANGES
N THE
OVERNMENT



0206-1473 ИНДЕКС 70622

Aeroflot offers a new airline

An Aeroflot aircraft IL-62 flies this route twice a week, covering the distance of 9 thousand kilometres in 11 hours

MOSCOW–CHICAGO–MOSCOW

Monday Friday SU329 F12Y120	Day Route No. Class of service Route	Tuesday Saturday SU330 F12Y120
07.40	Moscow	11.40
↓		↓
09.00	Shannon	04.30
10.20.		03.25
↓		↓
13.00	Chicago	14.30

Monday Friday	Day	Monday Friday

Flight schedule (local time)

For detailed information about the flights contact Aeroflot agencies abroad and in the CIS, or phone: 3128192350 (the Aeroflot Agency in Chicago); 156-80-19 (the Aeroflot Inquiry Office in Moscow).

АЭРОФЛОТ
Soviet airlines

25/92 **NEW TIMES** JUNE
INTERNATIONAL

POLITICS

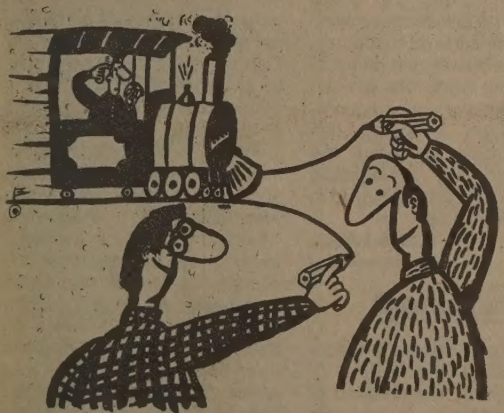
TRENDS
V.Kulistikov
BORIS YELTSIN'S WORDS WON HIM THE APPLAUSE OF AMERICAN CONGRESSMEN, YET AID IS EARNED BY DEEDS 3

3

COVER STORY
Ar.Dubnov
TO DIVIDE POWER IN ORDER TO RETAIN IT 4

OBSERVER'S VIEW
D.Volsky
THE CAUCASIAN TANGLE 8

4



ECONOMICS

PROFILE
M.Topaz, Ig.Bunin
THE PROBLEM OF A BIG BUCKET 10

DOSSIER
LAW OF THE RSFSR ON PRIVATIZATION OF STATE AND MUNICIPAL ENTERPRISES 15

OPINION
Ig.Bunin, M.Urnov
AFTER THE "MINI-THERMIDOR" 20

INTERNATIONAL

MASS MEDIA
P.Gutiontov
LIMONOV OFFERS THE "BEIRUT EXPERIENCE" 23

MANUSCRIPTS
V.Vinnichenko
MR MINISTER 24

ART
V.Volkov
TWIXT CARNATION AND SWORD 26

10

LIFESTYLE
L.Miller
"I CONSTANTLY LACKED SOMETHING VERY IMPORTANT" 30

LETTERS (2), THIS WEEK (9), OUTLOOK (14), PEOPLE (28)

Cover by Ivan Golovin

Truth in comparison

Before making an investment in another country a reputable businessman tries to find out as much as possible about the political and economic situation there. It is an axiom. From this standpoint I, as a businessman with an interest in the East European market, would like to know the entire spectrum of opinions about the processes under way in your country. For one can get a clear view of the situation only from a comparison of positions, even though diametrically opposite. In this connection, while welcoming the birth of *New Times International*, I wish it would publish articles by representatives of different, and conflicting, political, economic and cultural trends in Russian society. It is a usual practice for the mass media in the West.

Gustav Obermann, director of a company
Nuremberg, Germany

Did Stalin want to capitulate in 1941?

The "pendulum" appears to have swung too far in the direction of unrestrained criticism of Josef Stalin as a wartime leader. I have great respect for Lev Bezymensky, but his article in *New Times* No. 13, of March 1992, "Did Stalin intend to capitulate in 1941?" would, I submit, not have been written if additional facts were presented which show that that line of reasoning is fallacious.

For Nazi Germany to be beaten decisively in 1941 or later it was vital for Stalin to have strong and reliable allies. Skilful Russian diplomacy led the way to obtaining anti-fascist allies for Moscow almost simultaneously with the 22 June 1941 invasion.

The fact is, even from the first day of the war, Russia was not alone in its battle against Berlin.

The next day (23 June) came the first official US statement, by Acting Secretary of State Sumner Welles, saying the United States deemed it expedient to give aid to the USSR.

Stalin believed and stated that a "united front" with America and Britain would sooner or later crush Hitler, why then "capitulate"? He declared at the end of 1941 that if a "second front" could be opened in 1942 the war could be concluded in that year. This doesn't sound like a man ready to discuss capitulation.

Albert Axelbank, US correspondent in Moscow

From confrontation to compromise

Speaking about the mistakes of democrats, one must remember that they are inevitable and natural. It should be remembered what historical impasse we are leaving. We must talk about civic accord, and the ways of reaching it. No one has the full truth – neither Slavophiles nor Westerners (neo-Slavophiles and neo-Westerners, as they are called today). It is necessary to move from confrontation to a historical compromise. A common platform can be found. There must be greater understanding and tolerance and less ambition, suspicion and arrogance.

Arnold Anuchkin-Timofeyev
Moscow

Ring against snoring

Your magazine once carried an item about a ring which prevents snoring at night, devised in Sweden. We have a terrible problem in our family. My husband snores loudly in his sleep. All members of the family suffer from it because there is no possibility of assigning a separate bedroom to him. There are no means against snoring in Russia. He has applied to doctors many times, but the latter are unable to help. Is divorce the only way out? How could we get this ring from Sweden. Perhaps some one in that country could help us.

From editors: *For obvious reasons we do not give the name. If anyone wishes to help, please, write to the magazine.*

The spectre of fascism broods over Russia

Warning the Russian democrats against the wrong use of the word "fascism" (No. 16/92, Rus. Ed.) our reader in Germany, L.Lux, does not seem to take an important specific feature of Russia into account. Unfortunately, fascism continues to threaten Russia. It differs from Western analogues not by the absence of "patriarchal sectors" which form the social basis for the fascist movement. The conservative bureaucracy, longing for totalitarian dictatorship, along with the lumpen "serf proletariat" of the command-system economy can play the same role which the aristocracy, big industrialists and the poor masses played in Germany and Italy.

Vadim Lifshits
St. Petersburg

THE WAY I SEE IT

Drawing by Yevgeny Starodubtsev

An absurd argument

Alexander Kolyadin, a reader in the Rostov Region (No. 18/92), is against the creation of German autonomy in the lower reaches of the Volga and gives an absurd argument to prove his point. He alleges that "the idea of autonomy is a throwback from the times of striving for world revolution."

Indeed, "neither Germany nor Israel is in a hurry to establish a Russian autonomy, though Russians live there." However, there are not many Russians in Germany and Israel. The Lower Volga is a historical homeland for our Germans, and very many Germans lived there. Is it proper to give the following advice: if you want to live as a German go to Germany?

Alexander Kolyadin does not seem to know that Germans appeared in the Lower Volga after Catherine II manifestos which urged them to settle freely in the places "most advantageous for the population and habitation of the human race." Does Russia intend to drive out its Germans and bar them from returning to the area where their ancestors settled over 200 years ago at the invitation of Catherine II? ?.

Ildar Sibgatullin
Kazan

NEW TIMES
INTERNATIONAL

Publisher
The New Times Publishing House
Joint-Stock Company

President
Sergei DUBOV

Editor-in-Chief of Russian edition
Alexander PUMPYANSKY

Editor-in-Chief of international editions
Sergei GOLYAKOV

Managing Editor
Victor SIDENKO

Editor-in-Chief of English edition
Victor KAMOTSKY

Art Editor
Ivan GOLOVIN

Address:
Pushkin Square, Moscow, GSP, 103782, Russia
Telephones: 229-88-72, 209-07-67
Telex: 411164a newt SU, 411164b newt SU
Telefax: 200-42-23, 200-41-92

Printed by
PPC Moskovskaya Pravda
7, Ulitsa 1905 Goda, Moscow

Registration certificate No.01039
Order No.2255

© New Times Publishing House

Boris Yeltsin's words won him the applause of American Congressmen, yet aid is earned by deeds

For all its theatrical effects, Boris Yeltsin's American show hasn't relieved the President of the problems he hopes to settle with American help. Two dozen agreements signed in Washington are no more real than the five-year plans Soviet Communists discussed and adopted with so much comical seriousness, only to invariably fall short of the goal. Russia lacks strength not only to build, but even to destroy. Without foreign help it will be impossible to destroy thousands of warheads which George Bush and Boris Yeltsin have agreed to scrap – there are neither the required industrial capacities nor money to buy the equipment. The Congress is unlikely to approve all the economic promises made by the US President to his Russian counterpart. On the eve of presidential elections and congressional elections one is particularly attentive to the opinion of the electorate which, under the pressure of the recession at home, is inclined towards isolationism with regard to far-off events. The slogan "America's first!" is a signal for George Bush who hardly intends to change the mood in the Congress. It's quite enough that such a possibility was granted to Boris Yeltsin who four times drew standing applause by the legislators during the most passionate moments in his speech.

Whether they will vote for the aid to Russia depends on Russia itself. It's not sufficient to prevent the return of communism, it's necessary to secure the coming of Western entrepreneurs there and the appearance of private property as a guarantee not only of the irreversibility of changes, but also of the possibility to boost production and promote wealth by the activity of Russians themselves. The situation in this respect is not very promising so far. The pendulum of the government's policy is swaying towards tough regulation. There is a tendency of the ruling elite to return, albeit for a time being, to command methods of control over the economy, to cetralize foreign trade in energy and other resources, to support state-run entreprises and prevent the discredited state and collective farm system from finally collapsing. The liberal perspectives Boris Yeltsin mentioned in the USA are hardly discernible through the administrative fog. For instance, he called on the Americans to invest in land and real estate in Russia, although the "rights" of a proprietor in this country are only too well known to everyone. The same applies to the invitation to form the closest possible contacts with the Russian business world, which sounds nice but is unrealistic, because, unlike their American colleagues, Russian businessmen are tied hand and foot by our bribe-thirsty bureaucracy.

It's quite proper in this case to ask the question: whom shall the US help? The transitional system which is in perpetual stagnation? Or Boris Yeltsin himself who, thanks to his experience of mixing with Western journalists, has grown into an imposing politician? Or reforms which are more discussed than implemented? Certainty about the situation in Russia is precisely what the Congress will lack in order to unconditionally support the Yeltsin-Bush agreements. Irreproachable is the method of settling the problem proposed by former US Ambassador George Mattlock, a man who knows Russia well. In an interview with a Voice of America correspondent he said that Russia should itself choose the path of reforms, and then the West will decide what it can do to help it, and how.

This path has been so sinuous thus far that it seems that there are no roads in Russia's policy, only very vague directions. The reform team continually changes and politicians advocating different paths are introduced into it, which makes it a loose coalition unable of making decisions, rather than a control centre. Political intrigues which make the President's retinue bet now on rightists, now on leftists, now on cosmopolitans and now on patriots, engender a dangerous chaos which can hardly promote cooperation. This, in its turn, challenges not only the freshly concluded agreements, but also those reached before, for instance, the promise of a golden shower of 24 billion dollars which is yet to pour on Russia.

Vladimir Kulistikov

To divide power in order to retain it

In only a short time Boris Yeltsin appointed five new deputy chairmen of the government, having surprised many by his "strange" taste – three of them being "state industrial generals"

Journalists' favourite topic – making forecasts about how long Gaidar's governmental team is going to hold on – seems to run out. Today we have a government only partially represented by Gaidar's people. It remains for the press to exercise its wits in search for definitions of the current events, inventing delicate euphemisms like the "abalkinization of the government" or "pavlovization of reforms."

Lulled by our own comments on the President's comforting speech at the closing sitting of the 6th Congress of Peoples Deputies of Russia, we nearly convinced ourselves that a single promise to make Vladimir Shumeiko a vice-premier was sufficient to prevent Gaidar's government from being done away with altogether. It looks as if we have forgotten about Yeltsin's promise to reinforce the government with "expert practical workers."

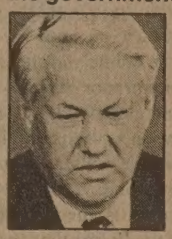
Here are the "practical workers" at your service: Georgy Khizha and Victor Chernomyrdin.

"He has a wolf's nose..."

Now let's ask ourselves a question – are we looking for reasons for this seemingly unexpected presidentially-commanded "reinforcement" of the government in the right place? Yeltsin's readiness to "suddenly change his political views" is often mentioned, as well as his "struggle for Yeltsin himself, for the time being Russia's only political force, a one-man party." Hence the conclusion that "one who is supported by this party controls the situation." The recent appointments of vice-premiers are the outcome of this struggle.

This scheme seems demonstrative, but, as any scheme, it's speculative. I remember what one of his closest advisors said about him on the eve of the presidential elections

B.Yeltsin, President of the Russian Federation, Chairman of the government



First deputies of the Chairman of the government

Ye. Gaidar

Economic reform

V. Shumeiko

The industrial complex

Deputies of the Chairman of the government

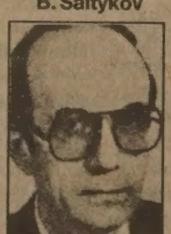
V. Makharadze

The operative department

M. Poltoranin

The press and information

B. Saltykov



Social policy

A. Chubais

Privatization

A. Shokhin

Foreign economic relations

G. Khizha

Machine-building industry

V. Chernomyrdin

Power industry

exactly a year ago: "He has a wonderful, wolf's political intuition." This was said to explain Yeltsin's unexpected choice of Rutskoi as a candidate for vice-presidentship. Hardly could anyone believe in those days that Rutskoi's "party" was seeking Yeltsin's support; rather the contrary seemed true – as early as those days he was suspected of "changing his political convictions." However, Yeltsin remained himself, and no one can mistake him for Rutskoi. Yes, it was a "change," but one dictated by the instinct of a politician unmistakably hunting for power. All other "changes," it seems, are not intuitively, but purposefully oriented to either retaining or strengthening power, yet, I dare assume, not for the sake of power as such, but for the sake of attaining political objectives, which is impossible without this power.

As concerns Yeltsin as "the only real political force," this statement is acceptable, provided one means by it the strength of the President's charisma. The real economic, social and, if you prefer, punitive power on Russia's boundless expanses lies, as before, with the industrial feudal lords or, in other words, with industrial and departmental managers and general directors...

Precisely they are the masters of towns and settlements in which an enterprise headed by one of them is the only place where a man, the family's breadwinner, can work. The master, the Big Boss, is right there, and where is Yeltsin?...

The question arises: does the President understand this? One who is unsure is advised to remember the industrial mini-empires of the former Sverdlovsk region, where the Russian President was once a party boss.

The phenomenon of the Russian centaur

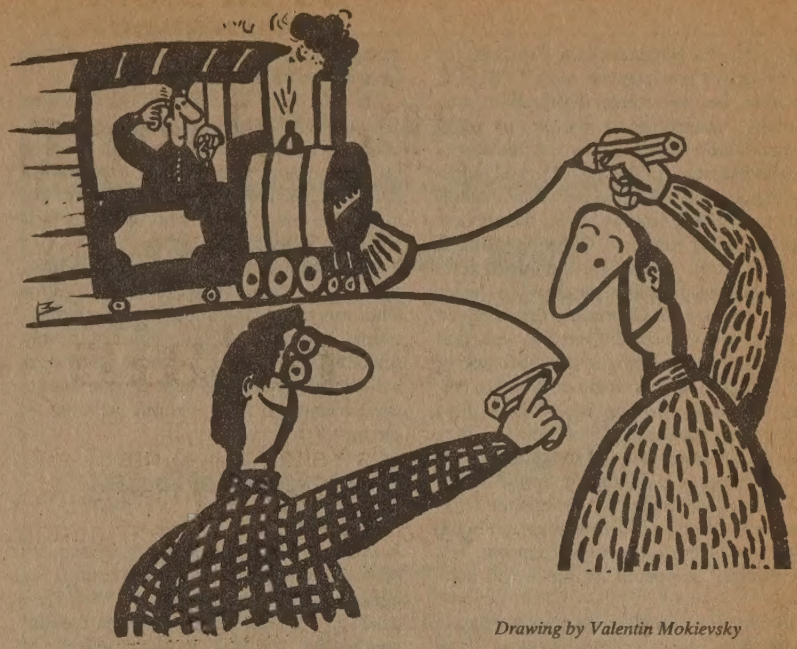
At that it cannot be denied that the industrial feudal lords are also interested in Yeltsin. However, there are specifically Russian traits in this search for such a union of the powerful. This was well demonstrated by the comprehensive sociological survey carried out last spring in Russia by Igor Klyamkin, the All-Russia Central Public Opinion Research Institute. The survey showed that the idea current last year about the incompatibility of the interests of the economic *nomenklatura*, the technocratic establishment, with the objectives of radical economic reform is not true to reality. The "industrial generals" are interested in reform only in the case that it makes their power dependent not on their administrative status (since there is always a certain risk of losing it), but on the right to own property (thus far only controlled by them on behalf of the state) and the controlling interest in some form or other.

Hence, on the one hand, the silent resistance to reforms, which, in the outset, didn't promise them much, and, on the other, the interest in Yeltsin as a strong populist leader and a guarantor of reforms which, in some way or other, are fated to make them property holders.

Without understanding this it's impossible to explain the phenomenon of the emergence of the modern Russian entrepreneur, a sort of a centaur whose head has already "grown out" of the socialist economic system, while his body is still a part of it.

Now let's imagine that these commanders of industry who are perfectly aware of their strength come to Yeltsin, as oil and gas "barons" did on May 23, and say: today we still have enough power to prevent our people from launching a strike and we are still yielding oil. But if the attempts to deprive us of the right to freely sell fuel abroad don't stop tomorrow, we are not to blame for the consequences. Entire regions will stage a riot.

No need to explain to the President the meaning thereof. The export of oil and gas still accounts for the major hard currency revenues. Even a 1 percent cut in oil mining would be catastrophic. So far all attempts to stop the drop in oil production have proved futile, and according to some estimations, production may drop 20 percent this year.



Drawing by Valentin Mokievsky

Our Vice-Premier is a "high-class manager"

"Barons" have their own interests. The liquidation of ministries superseded by concerns didn't in the least shatter their monopoly in oil and gas industry. The Gazprom, untill recently headed by the present Vice-Premier Chernomyrdin, controls 95 percent of gas produced in Russia. Former fuel and electric power minister Vladimir Lopukhin was not circumspective enough to try to undermine this monopoly. He even tried to lay his hand on Gazprom. Instead of granting the major suppliers of energy resources export licences, he suggested that they should sell it by auction – the licence will be given to those who will offer the state the most favourable conditions. Needless to say, the excessively active minister failed to find understanding with this industry's bosses.

Here Yeltsin's famous political intuition worked: it's not so easy to dispose of the "barons," they can only be replaced by "commissars," which had already been tried before but which doesn't guarantee oil production – it's much easier to sacrifice a minister.

Especially as this may bring political capital too, because Lopukhin was the most consistent advocate of liberalization of prices for energy carriers in the government – he has done his job and may go, to be succeeded by "their" man who has real power locally. As is well known, power is not only a post, but also connections, ties, including those with foreign partners, which Cher-

nomyrdin, the Minister of the Gas Industry in Ryzhkov's government and a CPSU CC member, has never been deprived of (incidentally, according to the secret party *nomenklatura* table of ranks, the minister of the gas industry, unlike that of the oil industry, has never ranked higher than a candidate to CPSU CC membership, the only exception being made to Chernomyrdin...) How else can one explain the information about billions of dollars promised to the industry as soon as Chernomyrdin received the new appointment? Especially now that Russia's entire policy is at stake because of the 24 billion dollars worth of Western credits? Evidently there are investors ready to invest these thousands of millions on Chernomyrdin's guarantee, all the more so that the latter has so unfailingly pumped fuel to the West; according to the newspaper *Trud*, "he is considered a first-class manager in the West" and Chernomyrdin's Gazprom "has successfully competed on the world market."

In fact, the situation has arisen today in which only major private investors alone are able to stabilize the state of affairs in the oil and gas industries. In the opinion of a representative of the World Bank, this will require 27 billion dollars till the end of the century, while Vice-President of the World Bank believes that this stabilization can be reached only by means of creating joint ventures. For that, the Russian government will have to commercialize the oil and gas industries, as a result of which, if Russia's natural resources are rationally used, the country may stop being a recipient of foreign aid and become a donor by the next century. On the other hand, Russia's Ambassador to the USA Vladimir Lukin also mentioned profits the West may derive from cooperation in this industry.

He said in his interview to the *Christian Science Monitor* that a number of major contracts would be concluded with Western oil corporations interested in exploitation of Russian oil deposits. "The stakes are very high," he said. "Those who come the first will be in a privileged position."

Thus, there is a vast world of possibilities open to the "world-class manager" Victor Chernomyrdin, who supervises the exploitation of Russia's energy resources. It only remains to be learned in whose interests it will be cultivated, and here certain doubts arise connected with previous activities of the new vice-premier.

The balance of forces changed

It would be nice, however, if this Gazprom proves uninvolved in a scandal brought to light by another newspaper, *Izvestia*, a few days ago. The matter is that the "successful competition on the world market" of another monopolist, Rosnefteproduct, was promoted by a person wanted by the USA's FBI and Interpol for blackmailing, illicit operations and grave tax evasion. His name is Marc Rich. The turnover between his concern and Soviet partners reached nearly 900 million dollars in 1989, while Interpol listed him among the world's most dangerous criminals and declared him wanted.

The "tricky" side of it is that besides Rosnefteproduct, the exclusive right to sell energy resources was granted to two more concerns – Soyuznefteexport (oil) and Gazprom (gas)... It would be a pity if the names of the leaders in the present government, so far unmarred by dirty connections, become an exception among others.

As concerns the new Vice-Premier Chernomyrdin's illoyal, to say the least, behaviour with regard to the Russian leadership on August 19 of last year, of which both Gazprom and, presumably, the President himself are well aware, today the latter is not embarrassed by it. The "witch hunt" season is closed, and the balance of forces is unfavourable for it today.

The most recent evidence in favour of the above is furnished by one more "landing," this time of "defence barons," in Moscow. A delegation made up of 500 representatives of the military industrial complex was received by Khasbulatov on May 28 and insisted on a meeting with Gaidar, to no avail, however, which, naturally, didn't cheer them up. Finally on May 31, the "defence workers" read an open letter at a conference in the Academy of the General Headquarters, which was actually an ultimatum to Parliament and the govenrment: if urgent measures are not taken with regard to defence industry within a few weeks, its enterprises will close in one and a half to two months. This will affect the 10 million employed in this sector, or 30 million people, counting their families.

The problem is more than serious. An unrestricted production slump is taking place, the conversion programme doesn't work, the reform of the financing system and deterrence of crediting has resulted in mutual payment evasion in the industry, amounting, according to calculations by the military industrial complex, to 1,600 billion rubles. The payment of salaries are delayed by 3 and more months. The social infrastructures of the enterprises, which are supported mainly from their budgets, crumble.

Arkady Volsky still dissociates himself from the government, but three new vice-premiers enjoy his "industrial party's" support

Crisis today, aid tomorrow?..

The defence industry managers are not yet making political demands. Reminding the government about their ability to control, for the time being, the situation in the industry and in regions, they emphasize their loyalty to the government.

Khasbulatov supported the demands of the delegation. He emphasized that the leadership of the Supreme Soviet supports them and would, as before, exert pressure on the government.

His promise was substantiated by the appointment made a few days earlier of one of the most important leaders in the defence industry, the General Director of St. Petersburg's Svetlana Science and Industrial Association, Georgy Khizha, to the post of vice-premier. He has already promised to help promote the industry.

It's no surprise that the freshly instituted

association *Obnovlenie*, which is the Arkady Volsky-headed and politically institutionalized Industrial Union, becomes a real ruling party. It "rules" at the field level. One ought not be misled by Volsky's demonstrative insistence on his dissociation from the government. It's only natural for him not to associate his name today with the unpopular government.

Suffice it to have the appointees of his party Georgy Khizha, Victor Chernomyrdin and Vladimir Shumeiko as key figures in what once was Gaidar's team. In our opinion, this testifies not to various "teams" struggle to influence Yeltsin, but to Yeltsin's struggling to retain power.

The claims of the "party of moderate progress in the framework of legality," as the association *Obnovlenie* was described by Arkady Volsky's deputy Vladislavlev, as having a considerable share of power, were more than grounded. Volsky can rely on an influential lobby in two monolithic factions – *Promyshlenny Soyuz* (Industrial Union) and *Soglasie* (Concord) in the Russian Parliament. He is supported by the leadership of the Moscow City Soviet as the chairman of the *Obnovlenie* Conference, while the Speaker's three deputies, Sergei Filatov, Yuri Yarov and Vladimir Shumeiko, shortly appointed a vice-premier, were seen in the presidium.

Less than two months have elapsed since the conclusion of the 6th Congress of People's Deputies where the Yeltsin-Gaidar government's main trump were 24 billion dollars of aid promised by the West. The situation has changed now, the President repeatedly receives ultimatums which place him before the choice: either take measures mitigating reforms and allowing him to retain control over the situation today, but endangering the reception of aid, or follow the IMF's strict recommendations, in expectation of possible massive aid tomorrow. But who is to see this morrow?... Besides, there is no guarantee, as Western leaders affirm that the aid depends exclusively on strict observance of the reform course by the Russian government. It's clear already that the extending of aid may be hampered by internal problems in the Great Seven. It's highly doubtful that the US Congress will approve the aid grants asked by George Bush earlier than this autumn, because of the presidential campaign. Japan is facing, for the first time, a stock exchange crisis. Social tension grows in Germany, Italy is faced with a serious budget deficit...

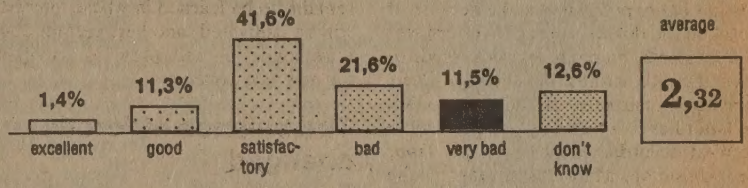
On the other hand, in the words of a high-ranking Western diplomat, whereas the Great Seven who had discerned Yeltsin behind Gorbachev's back actually "toppled" the latter by having denied him aid at the London meeting in June 1991, today there is no one to be seen behind Yeltsin's back.

SOCIOLOGICAL SURVEY

Prof. Boris Grushin's Vox Populi poll

Government barely passes again

How would you evaluate the results of the Russian government's endeavours to institute economic reforms?



As could be foreseen, the effectiveness of the government's activities was evaluated rather low in terms of the school five-grade system, averaging 2.32 points. The higher average result was shown by Moscow (followed in this group by large, medium-sized, small towns and villages, with the lowest evaluation of 2.16 points). The lowest evaluation of current economic reforms was shown by people with less than 7 years of education.

As for active advocates and opponents of the Yeltsin team's reforms, Muscovites definitely support them (27%), residents of Bashkiria, the Chelyabinsk region and large cities as a whole (16%), and the Kirov region (15%); among social groups, those with higher education (17%) stand out in this regard. Gaidar's economic reforms are actively disapproved by: collective farmers (57%), residents of the North Caucasus (48%), of Daghestan, the Stavropol region (45%) and the Buryat-inhabited districts of the Irkutsk region (39%) and peasantry as a whole (38%)

(The All-Russia Public Opinion Poll, March 1992; 1,985 people polled; in % to the total)

For the time being, as the crisis in the Russian economy aggravates, Moscow intends to ask for a five-year moratorium on paying off interest on its debts to the West, and this in the situation when the payment of the main debt amounting to 68 billion dollars has been postponed. Too much is at stake in the country if Yeltsin's government rejects the last attempt to present itself as a solvent debtor.

Demonstrative in this regard is the case of the Chairman of the Board of the Central Bank of Russia, Georgy Matyukhin's resignation rejected by the Russian Supreme Soviet. Well aware of the fact that he was a figure equally inconvenient to both Yeltsin and the IMF, because, being independent from the government, he was not very reluctant to yield to requests concerning gratuitous credits to the state-run industrial sector, thus threatening the government's policy to cut inflation, Matyukhin eventually achieved still greater independence, and in a very delicate way, at that. He explained to the delegates at the parliamentary hearings that he would henceforward issue credits (if he was left in office) directly to the government as soon as the latter made a request. The government itself would give credits to the needy ones through a system of the corresponding internal and inter-industrial accounts. Thus the government would create an internal state debt which would be its own headache, and not Matyukhin's.

That was enough for the delegates, whose "tender feeling" for the government are well known, to pass a vote of confidence in the country's main banker.

If the question of how soon Gaidar, who has been slightly pushed aside, will resign becomes the next object of journalists' prognostications, I will take the risk of foretelling that this won't happen soon. Gaidar has practically "ceded" nothing to the "oil barons" except Lopukhin. There are no serious differences between Yegor Gaidar's intentions and the programme announced by Shumeiko who now supervises the industry. Both agree that the demonopolization and decentralization of industry will have to wait.

Arkady Dubnov

The Caucasian tangle

In the Russian imagination the Caucasus is associated with the sea, mountains and shashlyk (barbecue local style). People in the West know little about that blessed region. For them everything which comes from the Caucasus seems exotic. A French journalist who visited the region in this distressing period wanted to learn first of all why Caucasians wear tall Astrakhan hats and the largest caps in the world.

Perhaps it is indeed one of the riddles of the Caucasus. But let's leave it for quieter times. Today it is more important to find out why national, political and religious passions are running high there? For the discord has led to fierce clashes in several spots in the Caucasus and has endangered international stability far outside the region. Some sci-fi writers allege that the "fault in the Earth" accumulating cosmic energy lies through the Caucasus.

If one is to talk about a fracture it lies between Europe and Asia, Christianity and Islam, the ancient traditional and the modern ways of life. No wonder that the ever more destructive boiling stream of passions, on both sides of the Caucasian range, can only be compared with the drama in the Balkans, in the former Yugoslav federation, which also lies on a similar fracture. As in Yugoslavia, passions there broke out after the collapse of communist totalitarianism which had tightly sealed them like the lid of on a pressurecooker.

True, few people guessed that the water was beginning to boil. Only faint traces of steam could be discerned, for instance, from the ravines of Nagorny Karabakh. As soon as the lid ceased to hold the pressure several local conflicts burst out one after another. The Karabakh dispute is developing into a full-scale war between Armenia and Azerbaijan. Georgia has started a cruel war against South Ossetia. The leaders of the Chechen republic, who do not want to remain in the Russian Federation, threaten to call on almost all North Caucasians to take up arms. I could mention here some other conflicts, of less intensity, so far, but also dangerous potentially: for instance, between the Igushes and Ossets, Georgians and Abkhazians.

As widely varied the causes of the conflicts are, most of them reflect the conflict of two principles: territorial integrity, the inviolability of borders, and national self-determination, the rights of national minorities. Each of these principles is just, and they certainly can coexist, but so far no one has been able to do that. "We have tried our hardest to establish peace in the region, and what do we have now?" Georgia's State Council chairman Eduard Shevardnadze exclaimed the other day. One can understand the bitterness of the experienced politician.

Indeed, the successes of peace-making efforts in various hot spots of the Caucasus are being foiled each time. It seems that emotions are being stirred up artificially. More and more facts testify to the existence of forces interested in the continuation of war there. Among these forces are mafioso groups, thugs, fanatics of various kinds, and very ambitious politicians. Some of whom want to come to power by exploiting nationalist and chauvinist sentiments. Others want to retain power, and still others to return to power, as is being done, for instance, by the overthrown Georgian president Gamsakhurdia. No wonder that he has been backed by Chechen president Dudayev. The Caucasian wars are in a way communicating vessels. The higher the level of tension in one hot spot, the more chances of success for those who count on power methods, whether terrorist acts or tank attacks.

The most dangerous thing is that these communicating vessels link the Caucasus with the neighbouring Middle East, and it is not water but petrol which runs through them. Turkey was already prepared for armed intervention in Nakhichevan to help its Azerbaijanian population in their war against Armenia. Only the warning made by Russia and Turkey's Western allies averted the dangerous course of events. But who knows whether such warnings will have any effect next time, especially in view of the avowedly pro-Turkish orientation of the newly elected President Elchibey of Azerbaijan? For Turkey does not simply regard Azerbaijanians as blood brothers. It sees Azerbaijan as a bridge across the Caspian Sea to Central Asia, inhabited by Turkic peoples to a considerable extent. With the break-up of the USSR, the spectre of pan-Turkism has obviously been revived.

This circumstance has alarmed most of all, not the former republics of the USSR but quite another country, Iran, an old rival of Turkey. To Ankara's ideas of a Turkish community, its "secular Islam" and pro-Western policy Teheran counterposes, as a model for the Caususus, its militant fundamentalism of the Shi'ite kind, hoping that, as distinct from Turks, Azerbaijanians are Sunnites, like Iranians.

Pradoxically enough, in its foreign policy Teheran is inclined more to Yerevan than to Baku. The Iranian authorities obviously do not want to see the strengthening of Azerbaijan, fearing this will give an impulse to the reunification movement among Iranian Azerbaijanians. Moreover, they are prepared to react toughly and cruelly if such a movement gains in strength.

Thus, the interests of states become interwoven with contradictory religious and ethnic factors, and often contradict them. This creates a truly explosive mixture, and not in a relatively confined, limited area, as the Balkans, but in the immediate proximity to the "oil heart" of the Persian Gulf, only recently the scene of war.

It is not difficult to reach the Iraqi border by mountainous paths, even on a horse or donkey, and this is what is done by Kurds living in Iraq, Iran, Turkey, Armenia and Azerbaijan. The much-suffering Kurds have finally realized that their hope of creating their own state can be achieved. It is one more factor linking the Caucasus with the long-pressurized Middle East.

It is not the only and main factor, however. The Caucasus is not far from Syria and, hence, from the major zones of the Israeli-Arab confrontation. Can NATO remain on the sidelines? The NATO foreign ministers' meeting held in Oslo in early June made a special but rather vague and contradictory statement on the Karabakh problem. The statement revealed that it is more and more difficult for the Atlantic alliance to formulate a clear policy in Caucasian affairs. NATO can find itself in a situation where it will have to counterpose itself, sit on two stools or, more exactly, between them. For NATO's commitments to a long-term member in the alliance, Turkey, are in conflict with the influence of Armenian communities in the United States and other NATO countries, and the support traditionally given by Western powers to peoples professing Christianity. This support and, more, the West's close relations with Israel are fraught with the danger of a new, anti-Moslem front opening in the Caucasus and, hence, with an additional threat to oil deliveries from the Gulf. There is also the risk of an aggravation of international contradictions because of the Caucasian problems, of the declining influence of Western countries in the Middle East and, lastly, their involvement through NATO in an unnecessary war, say, between Turkey and Iran or, some believe, against Russia.

The last variant is hardly probable in our opinion. Russia is withdrawing former Soviet troops, now under its jurisdiction, from the newly independent Caucasian states. However, its political and cultural influence remains. Now that guns are firing some are inclined to not take this influence into account. But history shows that precisely thanks to it the Caucasian people gained access to the values of present-day civilization. Who knows in what direction the Caucasus will go if this influence disappears.

Dmitry Volsky

THIS WEEK

Boris Yeltsin paid an official visit to the United States. During their two-day negotiations the two heads of state discussed urgent problems of Russian-American and international relations.

* * *

Ruslan Khasbulatov, chairman of the Russian parliament, made a statement in connection with the situation in South Ossetia. He did not rule out the possibility that the parliament may consider the question of South Ossetia's joining Russia "in keeping with the will of the people of that autonomous republic and the appeal of its authorities to the Russian parliament." The statement aroused a negative reaction in Georgia. The fighting in South Ossetia continues.

* * *

By a decree of the President of Russia, Yegor Gaidar has been entrusted with the duties of chairman of the Russian Federation's government.

* * *

On the eve of his visit to the United States, Boris Yeltsin had a talk with Oleg Poptsov, chairman of the all-Russian TV and radio broadcasting company, and Izvestia's Editor-in-Chief Igor Golembiovsky. The President set forth his views on the political and economic situation in Russia and outlined ways of overcoming the crisis. He confirmed his adherence to the policy of society's radical transformation and favourably appraised the activity of the Gaidar team.

* * *

In a referendum held in Lithuania, the majority of people who went to the polls voted for an immediate and unreserved withdrawal of Russian troops from the republic before the end of the year and compensation for ecological damage caused by their stay.

* * *

The Russian National Assembly held its first congress in Moscow. About 1,500 delegates from 117 cities discussed a programme of action to extricate Russia from crisis, "proceeding from its national interests and priorities."

* * *

The pro-communist organization, Working Russia, held a meeting of protest near the Ostankino TV centre in Moscow. The rally was accompanied by excesses. Protesters broke through the police cordon, beat policemen, and tried to penetrate into the TV centre building.

* * *

A terrorist act was staged in Tbilisi against Djaba Ioseliani, deputy chairman of Georgia's State Council and leader of the paramilitary Mkhedrioni organization. Ioseliani was not injured, however, observers predict a new round of confrontation in that republic.

* * *

The leaders of Georgia and North Ossetia met in the Georgian village of Kazbegi to sign a protocol on cease-fire. However, the energy blockade of Georgia continues. The Georgian Military Road remains blocked.

* * *

The Estonian government has approved the regulations and personal composition of the council of the migration fund, set up with the aim of assisting non-Estonians to leave the republic and Estonians to return home.

* * *

Russia and Kirghizia have signed a treaty of friendship, cooperation and mutual aid.

* * *

A meeting of high commanders of Russia's armed forces took place in Moscow. It was announced that by a decree of the President, Colonel-General Victor Dubinin was appointed chief of the general staff of Russia and first deputy minister of defence.

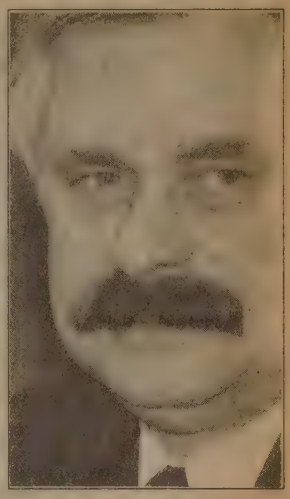
* * *

The council of the international congress of industrialists and businessmen met in Minsk. Representatives of 18 countries – members of the Commonwealth of Independent States, Baltic republics, Georgia, Bulgaria, Hungary and Poland – took part in its work. They discussed measures to be taken in view of the mounting crisis in the Russian economy. The meeting was addressed by Arkady Volsky.

* * *

The situation in Nagorny Karabakh has sharply aggravated. Azeri troops, supported by armoured vehicles and aircraft, have launched a massive offensive against the Armenian positions in Nagorny Karabakh and in the border areas of Armenia and Azerbaijan.

* * *



Vice-President Alexander Rutskoi returned from his tour of Latin American countries. He visited Venezuela, where he took part in the opening ceremony of the Days of Russia festival, and Argentina and Brazil, where he took part in an international conference on environmental protection and development. During his trip the Vice-President of Russia spoke in favour of establishing broader trade and economic cooperation with the countries of Asia, Africa and Latin America.

* * *

Marco Politi, president of the Association of Foreign Correspondents accredited in Moscow, revealed at a press conference that his organization registers in its White Paper cases of Russian officials requesting foreign currency bribes for giving interviews. More than 30 cases of this kind have been registered, and new names are constantly added to the list. The White Paper has been sent to Boris Yeltsin and members of the Russian government.

* * *

The Sverdlovsk regional insurance agency has begun to insure people against hijacking by extraterrestrials. A contract can be concluded for any sum and term. The only condition for collecting the insurance money is that convincing proof must be provided of the missing person having been caught by powers from the beyond.

Stepan Pachikov:

The problem of a big bucket

The word "cooperator" is repulsive to the Russian ear. Not like the words "Bolshevik" or "chekist"...

Stepan Pachikov is 42 years old. At 16 he graduated from the Novosibirsk Physics and Mathematics School, jumping right from the 8th to the 10th grade. He graduated from Tbilisi University with honours and did his graduate work at Moscow University. He has a D. Sc. degree in physics and mathematics and worked at the Academy of Sciences as a senior researcher. Now he is a businessman.

A coincidence

I was kicked out of university twice. The first time was in Novosibirsk, after the sophomore year. In August 1968, a friend of mine and I painted slogans against the Soviet invasion of Czechoslovakia around the city. The KGB didn't have any real evidence, so they simply pressured the dean to expel me. But the dean held back the order to expel me while writing a letter of recommendation for me to Tbilisi University. They accepted me there not knowing anything about the incident. When the order was issued, I was already a student somewhere else. And our postal service is very slow. They received my papers in Tbilisi only as I was about to defend my thesis. I was kicked out again.

"The main problem of our businessmen is that of the bucket. They can't find a big enough bucket in order to scoop out as much as they would like to"

But was saved by a coincidence. On the street, I ran into a guy who had been in the army for military periodical training with me and lived in the tent next to mine. We had played cards together. Fortunately for me, he was the son of the first secretary of the Georgian Communist Party Central Committee, Vasily Mzhavanadze. My friend said: "For such a trifle it's not even necessary to turn to father." And he called someone.

A day later the KGB called me in and apologized, and a month later I graduated from the university with honours.

The company

In the West now all are crazy about pen computers. It happened that I foresaw that would be the new thing. We created a program for computers allowing them to discern written texts. We aren't one of the best firms or one of the first there – we are the only firm in the world.

I know two fields – economics and mathematics. I am a cyberneticist, an expert on odd quantities.

In general, I know just as much about economics as Piyasheva. It seems, more. But life isn't long enough to be both a businessman, a politician and a state economist.

I established my own company in 1989. What I have done wouldn't have been possible at the Academy of Sciences. Financial freedom and easy and quick contact with the West were necessary in order to find out the reaction of the market to some idea or other.

In the West, they look on us as a so-called "kiddie firm." That's when a group of friends do something together, say put together a computer in a garage and in time set up their own business. And that's the way it was with us.

Business

In America, it's almost impossible to get anything without a struggle. It's a country of constant and exhausting effort. It's much easier here. Money is just waiting to be made. Scoop it up by the bucketful.

The main problem of all our businessmen and stock brokers is the problem of the bucket. They can't find a big enough bucket. Show me at least one businessman who is rich, famous, successful and at the same time heads a company that produces something. You can't. They all either work in banks or on the stock exchange. Many think that in this country it's possible and necessary to live on the difference in prices.

We are probably the only computer firm here that doesn't sell computers.

Who do all know? Artem Tarasov? He came here and asked what computers to buy. He bought them and sold them. A genius financier, he can smell money. I'm not putting him down as a businessman, he belongs to a certain category of people. They are necessary. In general, I think that speculators are extremely useful to the economy. A speculator is its plumber. He gathers very important information about proportions and prices – where there are shortages and where there is demand.

Structure

The effectiveness of the economy depends very little on some or other link, but to a great extent on structure. It is senseless to tell people to work more and better. It is much more important to change the scheme a little, to organize those very same people differently.

The efficiency of labour depends on how much time is spent on real work and how much wasted on trifles. It wastes time when you can't get a call through to the West or the post office is closed. If you ask a diskette to be sent from Hamburg to Constantsa, you'll get it the next day by 10:00 a.m. A Western secretary, even a very good one, can't work here under these crazy conditions.

I think the main thing that distinguishes an entrepreneur is his sharp sense of effectiveness of activity in everything – the enterprise, the country and himself. Effectiveness is their *idée fixe*. I always have to hold myself back,

to check myself in order not to call Gaidar and give him advice. The ineffectiveness of the cabinet really gets to me.

In general, I am inclined to giving advice, to moralizing. I bore everyone stiff. I would have made a good counsellor.

About myself

My main task is to figure out what the situation will be like several years ahead. And since several times the decisions I made were right, they respect my opinion a lot at the company.

In one American article they called me a visionary. They wrote that I am a prophet disguised in the clothes of a businessman.

All my life I have loved to think of vairous combinations. Evidently I have the ability to make quite significant and complex decisions. At least when an unsolvable problem arises, I very often find a variant which satisfies everyone.

When I am behind the wheel, I think – hmm, if the left wheel comes off and there's a truck to my right and an old lady on the road, what'll I do? So when I really get in an emergency situation, I have a plan of action which I have gone over in my head many times before.

Lesson

I tell everyone the story about my son who, typically, is a total boob – he doesn't do anything, doesn't read and studies poorly. Together with his friends he set up a company: they write verses on request for birthdays. He suggested I order one for grandma's birthday. I asked how much it would cost. "Three rubles."

"Are you going to print your verses on my printer?"

"You said I could use it."

"To play, but if you are going to make money, then it's a business proposition and you'll have to rent it from me."

I calculated giving him a big discount and told him the price for the use of the printer. But they also use my office. When his friends just drop by, they are free to use it. But if it's business, and grandma has to clean up after them... So I told him he would also have to pay for using the office. They calculated and explained that now they would have to charge five rubles for the verses in order to cover expenses.

Money

Money is not the main thing in business. It makes it possible to live more effectively. For example, it is not necessary to stand in lines for cheap products when you can buy more expensive ones. This morning, I found the door of my car had a dent in it. Before that would have been a tragedy for me. Now I looked, spit, got in and drove away.

Of course, it would be nice to have a good car that wouldn't need to be repaired all the time and would be a pleasure to ride in. A summer house is good to have too, because it's a way to rest effectively. And a beautiful, intelligent and loving wife is yet another means to raise the effectiveness of life. So money is only one of the ways to do so – but not the only and main way.

The level of life of millionaires and billionaires is the same. How much money can you spend? The rest is invested in a factory, a bank or given to a charity fund.

There's one more important thing – knowing how to risk your capital. Either you lose it or make your firm grow into a billion-dollar business.

The amount of money corresponds too the scale of your activity. I often judge people, including my own employees, by the scale of money they think in. The scale of thinking is important – like a marshal's baton.

Family

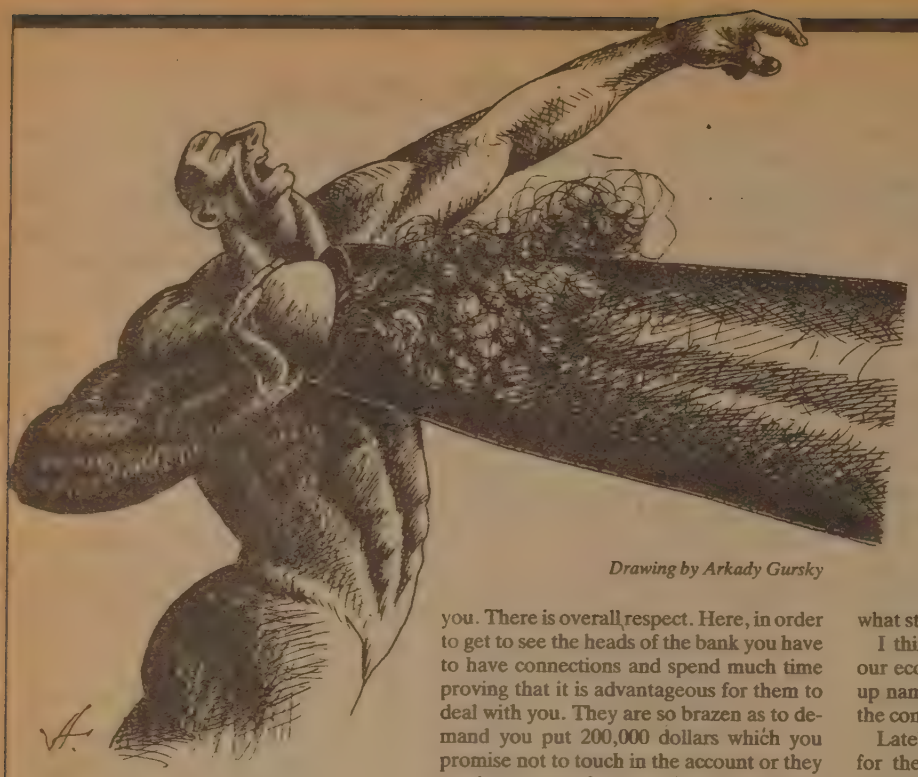
I have not had a vacation for many years. That isn't right. The company literally replaced my friends, wife and children. I have a guilt complex about my children, I don't have any time for them. My wife works for the same company, also to the utmost, so she doesn't see me there. But I now earn a lot more and they don't live in want for lack of money anymore. That makes life easier. And it seems to me that women like to be proud of their husbands. And I, you could say, give many reasons for that. I am more or less famous: now I appear on TV, now you can see my name in the papers. I'm a successful bisinessman and everything that comes with that... My relationship with my wife has never been better.

Bureaucrats

I want to get pleasure from my work. Pleasure is not having to deal with bureaucrats.

One of the peculiarities of our company is

Drawing by Vyacheslav Shilov



Drawing by Arkady Gursky

that we try to keep as far as possible from the authorities. I have never been to the local executive committee. I don't know who is in charge of housing there or anything else. I don't even know what district I live in. Now there are some kind of prefects... Honestly, I am not showing off, I really don't know.

We have many problems which others solve easily in saunas and bathhouses, or with drinking buddies. That doesn't go here. Of course, now and again we have to fake a hearty welcome. But with me it goes against the grain. The officials come, sit down and say that they can give us a building in the centre for 150,000 dollars.

I always hated Soviet rule in all its manifestations. But many aspects of Soviet Bolshevism are inherent in Russia in general. It's enough to read Saltykov-Shchedrin in order to see that certain things have always existed here, they are inherent in Russian officialdom. And evidently, to a great extent, they were engendered by Orthodoxy and our culture. I think that many of our problems would have been entirely different had we been Protestants or Catholics.

Banks

Almost all our banks are Soviet organizations in essence. Because they don't need clients, they don't like them and don't try to attract them. When you want to open a large account in any Western bank, the vice-president comes out and talks with you. There is overall respect. Here, in order to get to see the heads of the bank you have to have connections and spend much time proving that it is advantageous for them to deal with you. They are so brazen as to demand you put 200,000 dollars which you promise not to touch in the account or they won't open one for you. If any bank in the West did that, they would go out of business the same day.

The ideal banker is one who is glad that a person brought him his only ruble. For he understands that there are millions of such rubles. If he uses that money wisely, he will make money. But our bankers dream of getting one client who will bring 100 million and walk away never to return again.

The former secretaries of the YCL Central Committee who now head, say, banks are people with some organizational ability. They won't fold due to bad organization. They will have department heads, a secretary and incoming and outgoing letters and reports. There won't be any shouting at meetings like: "I said that a month ago!" "Well, I don't remember that!"

Another good thing about them is that they have connections, they know how to go about things. And little has changed. There's the same smell of bureaucracy, the same style, the same manner of running things.

But despite all this such an entrepreneur from the former officialdom could be a disaster financially. Their experience is Soviet and fits certain structures.

Shadow business operators

The former shadow business operators are good schemers, have business acumen and organizing ability. But they have little respect for the law. Only thanks to that were they able to survive in those days. But now they are not able to conduct business in a civilized manner and very quickly are out. For a normal person even a bad law is still a law.

About entrepreneurs

I don't like these entrepreneurs... And the word "cooperator" is very repulsive to the Russian ear. There was a wonderful article by Sinyavsky who claimed the words "Bolshevik," "Chekist" and "Soviets" were responsible for the success of the revolution, because they sound good to Russians irrespective of what stands behind them.

I think that language is the waterloo of our economists and politicians. They think up names like the CIS, often unmindful of the consequences.

Lately entrepreneurs have been changing for the better. Nevertheless their mercenary spirit and often quite low level of culture are irritating. You know, sometimes I don't even like their looks.

I tried joining various associations of joint enterprises but gave it up. I can't say that I like this new class.

Sometimes I'm curious, though: take Gherman Sterligov – what kind of man is he? Is his language good? What are his manners and his cultural level? Or take Borovoi. Is he really a talented person with unorthodox mentality or wouldn't one want to spend an evening talking to him?

In general, I associate with a very narrow circle of friends. They are the so-called computer community, a mixture of scholars and businessmen. I feel relaxed among them, I feel one of them.

About patriotism

The concept of homeland for me is very complex. I have always considered myself a mixture of patriot and cosmopolitan. I feel myself a patriot of a city, country, street and continent. I belong, so to speak, to mankind, at least its European part. For me Bulgakov, Thomas Mann and Hermann Hesse are all part of the same culture.

If you are often in some place, stay in the same hotels and travel on familiar roads, then you don't need to ask about little things – where there's a gas station, a photography shop, some store or how to dial information... I understand that this is also part of one's home. Just as the familiar landscape, even if it is somewhere in San Francisco...

Most likely, home in the big world is also the feeling of comfort in the given place.

I was born in Azerbaijan, in the Caucasus. I am an Udin, a very rare ethnic group. There are only 5,000 of us. I am not Russian by blood. But I was baptized in an Orthodox church and speak Russian. I was raised on Russian culture and have lived my whole life among Russians – my father was an officer and I lived in cantonments. And my mother is Russian. Of course, I am a Slav and part of the Russian culture.

It goes without saying that if I decide to set up a fund for orphans, then it will most likely be for our orphans and not for those, say, of South Africa. If I were asked to do something good for Russia or Norway, I would prefer Russia. This country is closer to me. I have always wanted to do something good for it.

Marina Topaz,
Igor Bunin

Sociological project NEW RUSSIAN ENTREPRENEURS is financed by Technobank

LETTERS TO NT

About one "interview"

The material printed as an interview of mine in issue 14 of *New Times* was full of inaccuracies and distortions. Other's words were ascribed to me and created an untrue picture of myself, my activity and my friends and colleagues.

I.Bunin requested to meet me under the pretext of conducting sociological research. He only vaguely hinted at the possibility of using what I said in the form of an interview and promised to show me the manuscript in that case. In spite of my reminding him about that more than once and his repeated assurances, he nevertheless didn't do so. As a result, *New Times* printed a material that tarnished my personal and business reputation due to its form and content.

First of all, I told Bunin and Chekalova that I had worked in my youth as a loader (gruzchik), but they wrote "I helped Georgians (Gruzin) in various ways..." What I said about not giving bribes as a matter of principle, in the article came out sounding as if all my friends, unlike me, gave bribes. In their attempt to make me out a dashing superman "who always gets his way" the co-authors never mentioned the great effort even a minor success requires. As a result, my work in probe diagnostics of low-temperature plasma, and in introducing measurement-calculating complexes at aircraft factories is depicted as if "first I wrote my dissertation and then got the award from the Council of Ministers." I told Bunin in great detail about the activity of the company Investment Programs, but the co-authors' interview ascribed it all to another company, Systems and Projects... And so on and so forth.

So out of the "sociological research," which Bunin and Chekalova took the liberty of turning into an interview, the readers of *New Times* learned much that my family and friends have never suspected.

Lev Vainberg

From the Editors. We regret the inaccuracies crept into the article about Lev Vainberg due to mistakes made in taking down the information from the recorder. *New Times* apologizes to L. Vainberg.

Y. Chekalova,
I. Bunin

Russian Weekly **NEW TIMES** Newsmagazine

INTERNATIONAL

Please send me a three-month subscription ☐

a six-month subscription ☐ a twelve-month subscription ☐

Name Mr/Mrs/Miss: _____

Initials: _____

Job Title: _____

Company: _____

Address: _____

_____

Please send this coupon together with a copy of the bank form to:

New Times International, 103782, GSP, Pushkin Square, Moscow, Russia.
Fax 200-42-23, 200-41-92

Dear readers,
Don't forget to subscribe to the weekly newsmagazine New Times International – your most reliable source of information from Russia. (Founded in 1943.) You are welcome to subscribe at any time and for any period of time.

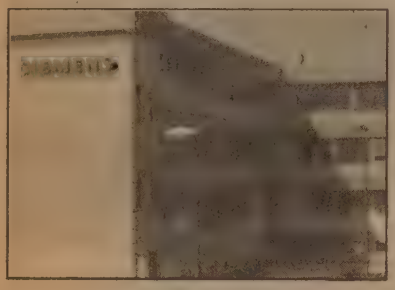
All new subscribers receive a discount of 25% off the cover price.
One-year subscription (cover price US$120) – now US$90.
Six-month subscription (cover price US$60) – now US$45.
Three-month subscription (cover price US$30) – now US$22.5.
Payment is accepted at:

Moscow: International Moscow Bank, Moscow, Russia,
account No. 35104 DB 0107 USD of the joint-stock bank Delovaya Rossiya
(for further payment to account No.070109017)

USA: Bank of New York, New York, USA, account No. 890-0055-014;
Credit Lyonnais, New York, USA, account No. 01.21.8890.001.00

A new signboard on Dubninskaya Street: Siemens

Russia was the first country to buy telegraph machines invented by the German firm Siemens. Seventy-five such machines were installed on the Moscow–St-Petersburg line in 1851. The novelty was soon found useful, and before long telegraph lines crossed the whole world. Thus the firm's success on the world market was secured and its 150-year-long cooperation with Russian business started.



In our time, this cooperation has acquired a new facet. The solemn inauguration of a new building with the Siemens emblem on its façade took place on Dubninskaya Street in Moscow early this June. It will be the seat of the office of Siemens-Med. Technik (SMT), the common child of the Russian Ministry of Health and Siemens AG.

The construction of the new building of SMT with the premises of 3,200 sq.m. cost DM8 million and lasted less than one year. The 120 personnel of the joint venture – almost all of them Russians – are engaged in servicing medical equipment supplied by Siemens to Russia's hospitals since the 1950s. The servicing of the equipment in other regions of CIS countries is carried out by 8 local branches. During these 40 years more than DM750 million worth of equipment has been delivered to the USSR and the CIS. "50 percent of Siemens' turnover in Moscow is from medical equipment. This is the most representative industry. The high quality of servicing and the company's solid footing in Russia's and other CIS countries markets are the major reasons for our success," said Werner Maly, a member of the Board of Siemens AG and the Chairman of the Medical Department at the inauguration.

The enterprise Siemens-Med. Technik was founded by Medtekhsnab (40 percent of the authorized capital) and Siemens AG (60 percent), with the authorized capital of DM10,000,000. It offers all kinds of services, from supervision of installation work to regular check-ups. It's no simple task to guarantee the unfailing performance of the equipment: X-ray systems and gamma chambers, monitors for intense examination of patients and computer tomographs and lytotriptors require special skills. Before SMT was founded, the servicing of this high-tech equipment was carried out by Russian organizations with the participation of Siemens experts. Now branches of SMT have been opened in St. Petersburg, Tomsk, Alma Ata, Vladivostok, Kiev, Tallinn, Minsk and Tbilisi. Most Russian personnel of SMT were trained by German experts in Moscow, but some of them took courses in Germany, USA and Sweden.

"As we open this new building in hard times for Russia, we kind of reaffirm our hopes for a better future," Werner Maly told newsmen. Siemens traded with Russia under tsars, Bolsheviks and Communists. With democrats in power now it seems only natural to carry on.

American engines for Russian airliners

The Voronezh aircraft factory has started full-scale production of the wide-body Il-96M plane capable of taking 386 passengers on board and flying over 10,000 km non-stop. Four economical engines for it have been manufactured at the Pratt and Whitney plant in Middletown in the east of the United States.

For the first time Russia has started serial production of a liner fitted out not only with foreign-made engines, but also with a set of radio navigation and flying equipment manufactured by Rockwell-Collins and Bendix. Thanks to this, the new airliner will be competitive on the world market, where at least 2,000 long-range planes will be required in the next ten years.

Soviet designers have chosen one of the most widespread and dependable Pratt and Whitney engines. Owing to the economical use of fuel, only one plane with these engines gives a saving of 250,000 dollars a year, compared with other models of the same type.

At the Middletown plant, all mass-produced engines are tested on the bed for four hours. During this time an airliner covers a distance of 3,200 km.

Several airlines have already placed orders for the new plane.

Moscow Cash & Carry Mozhaisk

The joint venture Moscow Cash and Carry Mozhaisk was founded by the Russian Book Chamber and the German firms LHG Nord (a warehousing company), Gebr. Heinemann (owner of a chain of duty-free shops), Impuls (a building and intermediation company), and Bavaria R.T. Pauli Brauerei AG (a brewery).

The fact that the Russian Book Chamber has decided to start out in a business so far removed from bibliography and publishing statistics reflects Russia's bizarre situation. Here, cultural institutions do not receive sufficient financial support from the state and are therefore forced to look for the most unlikely ways to finance their core activities.

Moscow Cash and Carry Mozhaisk supplies a total of about 3,000 food products and various accessories from a warehouse in Mozhaisk to embassies, offices of foreign firms, shops, restaurants and bars. The firm's prices are lower than those charged by retailers, which draws many individual customers to Mozhaisk. However, you cannot buy less than a case or carton of any product from the firm.

The joint venture has in stock over 120 wines from Germany, France, Italy and Spain. The wide choice of wines and the broad range of prices enable the firm to satisfy all customers no matter their tastes and income brackets.

The would-be stars of Tais

Graceful young beauties dance to the music beneath multicoloured beams of light. The exquisite dancing and lithe movements of the girls were suddenly cut short by a spurt of sound... The musical rhythms seemed to blow the scant clothes off the dancers, laying bare their female charms before the eyes of the audience.

Is this strip-tease? It certainly is. But it is also ballet. Eroticism and elegance find themselves harmoniously merged in every dance. Each dance is an original musical and choreographic composition without the slightest tinge of vulgarity. *A Presentiment of Love, An Oriental Melody, Nighttime Broadway, March,* and *Cats* – these are just some of the performances in the program of the competition, which will feature both group compositions and male strip-tease.

Until recently, all this would have been unthinkable in Russia. The senior officials who were able to travel to the West, however, did not deny themselves the pleasure to partake of the forbidden fruit in night restaurants and variety shows.

Alla Kirmusova, a professional ballet dancer, was the first to establish a strip-tease school in Moscow a year ago. Having worked in Germany for several years, she returned home to organize the firm Tais. Here, professional strip-tease dancers are trained. Alla notes there was no shortage of those wanting to enroll, with 30 and more young people coming to be interviewed every day. However, they had to meet stringent requirements to be accepted. In addition to good looks, they had to have charm, good manners and a feel for the music.

The school graduates – young men and women between 17 and 25 years old – are already performing in various restaurants, variety shows and bars in Moscow. Two groups of 10 and 15 dancers have signed contracts to work in Germany and Italy.

The idea to stage the competition was conceived by the director-general of the travel company Confidence, Mr Igor Rimsha, who became its principal sponsor.

Mr Rimsha believes that girls in Russia are more beautiful than in many other countries.

Mr Rimsha is certain that in addition to his firm's awards (such as a summer holiday in Greece), the winners will receive attractive engagements in Russia, as well as abroad.

DOSSIER

LAW OF THE RSFSR ON PRIVATIZATION OF STATE AND MUNICIPAL ENTERPRISES

This Law shall lay down the legal and organizational principles for transforming relations of property in the means of production in the RSFSR through privatization of state and municipal enterprises with the aim of creating an efficient and socially-oriented market economy.

I. GENERAL

Article 1. Concept of privatization of state and municipal enterprises

Privatization of state and municipal enterprises shall be the purchase by citizens and joint-stock companies (partnerships) from the state and local Soviets of People's Deputies into private ownership of enterprises, shops, production sectors and other divisions of these enterprises set up as independent enterprises; equipment, buildings, structures, licences, patents, and other material and nonmaterial assets of wound-up enterprises and their divisions; shares of the state and local Soviets of People's Deputies in the capital of joint-stock companies (partnerships); shares (stocks) of the capital of other joint-stock companies (partnerships), and also of associations, concerns, alliances and other associations of enterprises belonging to privatized enterprises.

Privatization of state and municipal enterprises shall, hereinafter, be taken to mean privatization of all the above-listed objects of property.

Article 2. RSFSR legislation on privatization of state and municipal enterprises

1. RSFSR legislation on privatization of state and municipal enterprises shall consist of laws of the RSFSR "On Property in the RSFSR," "On Enterprises and Entrepreneurial Activity," the present Law and other legislative acts of the RSFSR and the republics within the Russian Federation regulating privatization.

2. Privatization of state-owned enterprises in the common ownership of the RSFSR and the USSR, and other Union republics shall be regulated by the present Law, by other legislative acts of the RSFSR and by agreements with the USSR and the Union republics.

3. Privatization of shares of the state and local Soviets of People's Deputies in the capital of joint-stock companies (parthnerships) held in common ownership with foreign physical and juridical persons and international organizations shall be regulated by the present Law, by other legislative acts of the RSFSR, of constituent republics of the RSFSR, and also by agreements with foreign states.

4. The present Law shall not regulate the restoration of property rights of owners, their heirs and successors to enterprises which were nationalized, confiscated or withdrawn in other ways against their will into the ownership of the state.

5. Acquisition of state and municipal enterprises by foreign physical and juridical persons shall be regulated by the present Law, by the legislation of the RSFSR on foreign investments, and by other legislative acts of the RSFSR and constituent republics of the RSFSR.

6. Privatization of land and housing stock, and also of socio-cultural institutions, objects of cultural and natural heritage shall be regulated by other legislative acts of the RSFSR and constituent republics of the RSFSR.

Article 3. State Privatization Programme

1. The aims, priorities and limitations in carrying through privatization in the RSFSR shall be laid down by the State Privatization Programme.

The Programme shall be submitted by the RSFSR Council of Ministers and confirmed by the RSFSR Supreme Soviet not later than one month before adoption in the first reading of the RSFSR republican budget law.

The Programme shall be framed for the next three years and shall consist of assignments for the current year and projections for the following two years.

2. The Programme shall contain:

– a list of objects (groups of objects) of state property earmarked for privatization and grounds for their selection;

– requirements on local privatization programmes;

– assignments to organs of state power and administration in privatizing state property;

– determination of preferential modes of privatization and forms of payments, privileges to members of work collectives of privatized enterprises;

– conditions for crediting and amounts of credit resources to be used for privatization;

– amount of privatized deposits allocated among citizens of the RSFSR in the planned period and the deposit per receiver;

– conditions for the use of foreign investments in privatization;

– prognostication of receipts of means from privatization in the given period and normals of their distribution in the republican budget of the RSFSR, the budgets of constituent republics of the RSFSR, local budgets, extrabudgetary funds, and for other purposes;

– procedure for mutual settlements of various-level property funds with each other and with the respective budgets for every type of payments instrument;

– list, terms and procedure of formation,

MOSCOW BUSINESS WEEK

DOSSIER

out of means received from privatization, of target funds for investment in RSFSR regions most backward in economic and social development, restructuring of the national economy, rebuilding of the natural environment, and for other purposes.

3. The Programme shall lay down a list of state-owned enterprises, associations or their divisions not subject to privatization. The said list shall be coordinated with constituent republics of the RSFSR, the territories, regions, autonomous regions, autonomous areas, and the cities of Moscow and Leningrad, and shall be annually confirmed by the RSFSR Supreme Soviet.

4. The RSFSR Council of Ministers shall be entitled, for operationally regulating privatization without confirmation by the RSFSR Supreme Soviet, to alter the normals under the list provided for by the State Privatization Programme.

5. In pursuance of the State Privatization Programme, the Supreme Soviets of constituent republics of the RSFSR, and local Soviets of People's Deputies shall adopt republican and local privatization programmes and normative acts regulating the procedure of their fulfillment. Republican and local programmes shall be allowed to introduce additional restrictions on the privatization of state and municipal enterprises only within the limits and in the manner laid down by the State Privatization Programme.

Article 4. RSFSR State Committee for the Management of State Assets

1. The privatization of state-owned assets shall be organized by the RSFSR State Committee for the Management of State Assets (hereinafter referred to as RSFSR Goskomimushchestvo). The Chairman of the RSFSR Goskomimushchestvo shall be a member of the RSFSR Council of Ministers and ex officio Deputy Chairman of the RSFSR Council of Ministers. In constituent republics of the RSFSR, territories, regions, autonomous regions, autonomous areas, the cities of Moscow and Leningrad, and cities with a population of over one million, the RSFSR Goskomimushchestvo shall set up, together with the respective Soviets of People's Deputies, its territorial agencies and shall establish their powers. Representatives of all-Union agencies administering assets which are RSFSR property shall be involved in the work of territorial agencies. The activity of the RSFSR Goskomimushchestvo shall be financed out of the RSFSR republican budget.

2. With the aim of conducting a single state policy of privatization, the RSFSR Goskomimushchestvo shall: draw up and submit to the RSFSR Council of Ministers a draft State Privatization Programme, annual amendments and addenda thereto, and also draft laws and other normative acts on privatization; organize and control realization of the said Programme; annually report to the RSFSR Supreme Soviet on fulfillment of the Programme;

– generalize privatization proposals coming in from local Soviets of People's Deputies, work collectives, public organizations (associations), ministries and departments;

– lay down a system of bonuses for employees of state administration agencies and local administration in the light of results in fulfilling the State Privatization Programme;

– provide, through its territorial agencies, methods of direction and control over the conduct of privatization. File lawsuits with court of law or arbitration, in the event of breaches of RSFSR legislation on privatization and the State Privatization Programme, for reversal of unlawful decisions and institution of proceedings against the officials at fault;

– set up commissions on privatization of enterprises in RSFSR state ownership;

– take decisions on privatizing RSFSR-owned enterprises, effect the necessary restructuring in their juridical and organizational form, and hand over to the Russian Federal Assets Fund their ownership certificates for sale in conformity with Article 15 of the present Law. By decision of the RSFSR Council of Ministers, the said enterprises may be handed over by the RSFSR Goskomimushchestvo to the assets funds of constituent republics of the RSFSR, of territories, regions, autonomous regions, autonomous areas, districts (except city districts) and cities (except district-subordination cities);

– promote the establishment of investment funds and holding companies.

3. The RSFSR Goskomimushchestvo shall draft proposals for demarcation of state-owned property into the property of the RSFSR, constituent republics of the RSFSR, territories, regions, autonomous regions, autonomous areas, and municipal property of districts, cities and territorial-administration units within these. Property-demarcation decisions shall be taken by the RSFSR Supreme Soviet, the Supreme Soviets of constituent republics of the RSFSR, and local Soviets of People's Deputies in the manner provided for by the legislation of the RSFSR and constituent republics of the RSFSR.

In the absence of decisions (certificates) attesting to the ownership of privatization objects within the RSFSR, territory, region, autonomous region, autonomous area, city, district or territorial-administration units within these, they shall be privatized by the RSFSR Goskomimushchestvo as RSFSR property.

4. RSFSR Goskomimushchestvo decisions taken in pursuance of the State Privatization Programme with respect to enterprises in the ownership of the RSFSR or in the charge of state administration agencies of the USSR, RSFSR, constituent republics of the RSFSR, or local administration shall be binding.

Article 5. Committees for managing the assets of constituent republics of the RSFSR, territories, regions, autonomous regions, autonomous areas, districts (except city districts) and cities (except district-subordination cities)

1. Privatization of assets in the ownership of constituent republics of the RSFSR, territories, regions, autonomous regions, autonomous areas, districts (except city districts), cities (except district-subordination cities) shall be organized by assets-management committees which shall be within the respective state administration and local administration agencies (hereinafter referred to as "assets-management committees of national-state, national and territorial-administration entities").

The commiittee chairman shall be ex officio, deputy of the senior person in office of the respective administrative agency.

The statute on the assets-management committee shall be confirmed by the respective Soviet of People's Deputies.

Committee activity shall be financed out of the means received from privatization of state and municipal enterprises held in the ownership of the respective national-state, national and territorial-administration entities.

2. For the purpose of conducting privatization, the assets-management committees of national-state, national and territorial-administration entities shall:

MOSCOW BUSINESS WEEK

DOSSIER

– work out, with due account of the requirements of the State Privatization Programme, and submit to the respective Soviets of People's Deputies draft republican and local privatization programmes, annual amendments and addenda thereto, and also draft normative acts on privatization;

– organize and control realization of the state, republican and local privatization programmes and annually report on fulfillment thereof to the respective Soviets of People's Deputies,

– establish a system of bonuses for those working at the Soviets of People's Deputies, state administration and local administration agencies, enterprises and institutions, and involved in fulfillment of privatization programmes;

– set up commissions for privatizing enterprises in state and municipal ownership of national-state, national and territorial-administration entities;

– take decisions on privatizing these enterprises, transform their juridical and organizational form and issue certificates of ownership thereof for sale into the respective assets funds. By decision of the respective Soviets of People's Deputies, the said objects of privatization may be handed over to the Russian Federal Assets Fund;

– promote the creation of investment funds and holding companies;

– assign their representatives for membership of the committees being set up by the RSFSR Goskomimushchestvo for privatizing objects of RSFSR property.

3. Decisions taken by the aforesaid committees in pursuance of the state, republican and local privatization programmes with respect to enterprises in the ownership of national-state, national and territorial-administration entities and in the stewardship of agencies of state administration of the USSR, RSFSR, constituent republics of the RSFSR, and local administration shall be binding.

4. By authorization of the RSFSR Goskomimushchestvo, the committees shall be entitled to effect privatization of enterprises in the ownership of the RSFSR.

Article 6. The Russian Federal Assets Fund

1. The Russian Federal Assets Fund and its duly appointed representatives shall alone be vendors of state enterprises in the ownership of the RSFSR, and also of RSFSR-owned shares (interest, stock) in the capital of enterprises which are being privatized.

The Fund shall be set up by decision of the RSFSR Supreme Soviet Presidium and shall be accountable to it and to the RSFSR Supreme Soviet. The statute on the Fund shall be confirmed by the RSFSR Supreme Soviet.

The Fund's activity shall be financed out of the means received from privatization of state enterprises in the ownership of the RSFSR.

The Fund shall set up its branches in the localities.

2. The Russian Federal Assets Fund shall perform the following functions:

– hold in temporary possession the RSFSR's certificates of ownership of enterprises, shares (interest, stock) in the capital of joint-stock companies (partnerships) conveyed to it by the RSFSR Goskomimushchestvo; exercise the powers of the RSFSR as property owner at general meetings of shareholders, carry the risk (liability) for the activity of enterprises within the limits of the share in the capital of enterprises in its possession;

– sell the aforesaid shares (interest, stock) and certificates of ownership of enterprises;

– act as founder of joint-stock companies (partnerships), acquire shares and interest in joint-stock companies and partnerships whose development is determined by the tasks of accelerated restructuring of the national economy, environmental protection, and development of regions most backward in socio-economic terms;

– receive and transfer dividends and earnings from privatization of enterprises in accordance with the revenue plan of the RSFSR republican budget and the State Privatization Programme;

– exchange the RSFSR's joint-stock company shares for investment-fund and holding-company shares.

3. Of the number of shares of any joint-stock company in possession of the Fund, not more than 20 percent of the total number of each company's shares may carry voting right; the Fund's other shares, irrespective of their number and nominal status, shall, under the present Law, be preference shares with fixed dividend amounting to bank discount rate. Upon the Fund's sale of the aforesaid shares, their nominal status shall be restored.

MOSCOW BUSINESS WEEK

The Fund and its branches shall have no right to intervene in the activity of enterprises, except in the cases provided for by the founding documents of enterprises and by the legislation of the RSFSR and constituent republics of the RSFSR.

4. The RSFSR Supreme Soviet shall annually examine and confirm report on the operations of the Russian Federal Assets Fund over the past year.

Article 7. Assets funds of constituent republics of the RSFSR, of territories, regions, autonomous regions and autonomous areas, districts (except city districts), cities (except district-subordination cities)

1. Vendors of state and municipal enterprises, and also of shares (interest, stock) in the capital of enterprises in the ownership of constituent republics of the RSFSR, territories, regions, autonomous regions and autonomous areas, districts (except city districts), cities (except district-subordination cities) shall be the respective assets funds (hereinafter referred to as "assets funds of national-state, national and territorial-administration entities") and their duly appointed representatives.

Funds shall be set up by decision of the Supreme Soviet Presidiums of constituent republics of the RSFSR or the presidiums of the respective local Soviets of People's Deputies, and shall be accountable to them and to the Soviets. The statutes on assets funds shall be confirmed by the respective Soviets of People's Deputies.

The activity of the funds shall be financed out of the means received from privatization of state and municipal enterprises in the ownership of the respective national-state, national and territorial-administration entities.

2. Assets funds shall fulfill the following functions: have in temporary possession certificates belonging to constituent republics of the RSFSR, territories, regions, autonomous regions, autonomous areas, district and cities evidencing ownership of state (municipal) enterprises, of shares (interest, stock) in the capital of joint-stock companies (partnerships) conveyed to them by the respective assets management committees;

– exercise the powers of the respective property owners at meetings of shareholders, carry the risk (liability) for the activity of enterprises within the limits of the shares held by the stocks in the capital of enterprises;

DOSSIER

– sell the aforesaid shares (interest, stock) and certificates of ownership of enterprises;

– act as founders of joint-stock companies and partnerships, purchase interest and shares in joint-stock companies and partnerships whose development is dictated by local public interests;

– receive and transfer dividends and earnings from privatization of enterprises in accordance with the revenue plan of the respective budgets, and the State, republican and local privatization programmes;

– exchange the shares of joint-stock companies in the ownership of the respective national-state, national and territorial-administration entities for investment-fund and holding-company shares.

3. Of the number of shares of any joint-stock company in possession of this or that fund, not more than 20 percent of the total number of each company's shares may carry voting right; the rest of the shares belonging to the fund, irrespective of their number and nominal status, shall, under the present Law, be preference shares with fixed dividend amounting to bank discount rate. Upon the fund's sale of the aforesaid shares, their nominal status shall be restored. Funds shall have no right to intervene in the activity of enterprises, except in the cases provided for by the founding document of the enterprise and by the legislation of the RSFSR and constituent republics of the RSFSR.

4. Supreme Soviets of constituent republics of the RSFSR and local Soviets of People's Deputies shall annually examine and confirm reports on the activity of the respective assets funds for the past year.

Article 8. Investment funds and holding companies

1. Investment funds shall be set up to create a primary securities market and to reduce the risk of share purchasers. The Statute on Investment Funds shall be confirmed by the RSFSR Council of Ministers.

2. The investment fund shall be entitled to own not more than 10 percent of the voting shares of one joint-stock company, and to invest in its securities not more than 5 percent of its assets.

3. The investment fund shall have the duty to publish its quarterly, semi-annual and annual reports in the format determined by the RSFSR Ministry of Finance. The fund's activity shall be annually subjected to mandatory auditing.

4. Holding companies may be set up on the basis of enterprises within association (concern) or in the stewardship of organs of state administration and local administration, with the consent of the RSFSR State Committee for Antimonopoly Policy and Support of New Economic Structures, to promote cooperation of allied enterprises. It shall not be allowed to set up holding companies tending to monopolize the production of this or that type of product (works, services).

The Statute on the Formation of Holding Companies on the Basis of Associations, Concerns, Ministries and Departments shall be confirmed by the RSFSR Supreme Soviet.

Article 9. Purchasers

1. Juridical persons in whose authorized capital the share of the state, local Soviets of People's Deputies, public organizations (associations), and charitable and other public foundations is in excess of 25 percent may not be purchasers or take part in tendering, auction or purchase of shares in the privatization of state and municipal enterprises.

2. The burden of proof of the right to purchase privatized enterprises shall be met by the purchasers. In order to take part in auction or tendering, and to purchase shares in privatized enterprises, juridical-person purchasers shall submit to the respective assets fund a declaration on the members of the joint-stock company (partnership) and the distribution of the authorized capital. Where it is subsequently established that, as of the sale of privatized enterprise (interest, stock), the juridical person did not have any legitimate rights to purchase, the transaction shall be deemed invalid, in conformity with RSFSR legislation.

3. Members of the work collective of state or municipal enterprise may come forward as its purchasers and form, with that end in view, a partnership or joint-stock company. They, and also former employees of privatized enterprise who have retired on pension, and persons having the right, in conformity with legislation, to return to their own work place at the given enterprise, shall enjoy the privileges determined by the present Law.

Article 10. Agents and brokers

Vendors and purchasers in privatization may act through their agents and with the aid of brokers, in conformity with the legislation of the RSFSR and constituent republics of the RSFSR.

Article 11. Sources of means for the acquisition of state and municipal enterprises

1. For the acquisition of state and municipal enterprises use shall be made of citizens' personal savings, inscribed privatization deposits, own means of juridical persons, as determined in Clause 1 of Article 9 of the present Law, and also of borrowed means.

The procedure for gratuitous transfer to citizens of state and municipal property through the state transferring privatization deposits to inscribed privatization accounts and use of these deposits in the process of privatization shall be established by the Law of the RSFSR on Inscribed Privatization Accounts and Deposits.

Means from the economic incentives funds of privatized enterprises may be used by their work collective in the manner and in the amount established by the State Privatization Programme.

2. In the purchase of privatized state and municipal enterprises use shall be made of USSR legal tender, including citizens' inscribed privatization deposits.

3. In the purchase of privatized enterprises or shares (interest, stock) in the capital of joint-stock company (partnership), citizens shall have the duty to present a tax inspectorate certificate where their ruble deposit is in excess of 10,000 rubles.

Article 12. Use of means received from privatization of state and municipal enterprises

1. Means received from the privatization of state and municipal enterprises shall be distributed according to the normals laid down by the state, republican and local privatization programmes.

2. Lines for the expenditure of means received from privatization of state and municipal enterprises, within the limits laid down in Clause 1 of the present Article, shall be determined by the RSFSR Supreme Soviet, by the Supreme Soviets of constituent republics of the RSFSR, and by local Soviets of People's Deputies.

(to be continued in the next issue)

MOSCOW BUSINESS WEEK

Russian-Swedish Joint Venture

PROMITA

- Manufactures seals and rubber stamps in just 4 hours using Swedish technology and materials
- creates advertising posters for vehicles, cars, shop windows, etc.
- produces all types of souvenirs with your firm's logo
- prints business cards in just 6 hours

WE USE IMPORTED MATERIALS ONLY

WE ACCEPT BOTH HARD CURRENCY AND RUBLES

Office in Moscow:
Phones: 213-4417; 200-2285
Telex: 413-614 MHIT SU
Fax: 200-2285

Fax: 473-3088
Phone: 473-3088

MHITAB of Sweden markets small polygraphic equipment

PAYMENT IN HARD CURRENCY

MHITAB

MHITARYAN INTERNATIONAL TRADE AB

Swedish Joint-Stock Company (Trading House)

After the "mini-Thermidor"

Congress lot referendum: fearful or not?

After his moral victory at the Congress, the President turned to a range of economic and political measures, by means of which he seeks to consolidate his successes and stand.

In the economic area this implies the "second stage" of reforms, in other words, renunciation of the idea of fighting inflation "up to the last producer" or, in political terms, an attempt to transmute a purely technocratic government into one with a social basis amidst a certain part of state factory managers.

To this end the "second phase" envisages reduced taxation and less austere emission. Plus, evidently specially to appease the military-industrial and fuel-and-power complexes, noticeable governmental reshuffles with such men as Georgy Khizha, Vladimir Shumeiko and Victor Chernomyrdin, in place of Vladimir Lopukhin, as new cabinet members whom the managerial corps may fully regard as "socially kin." It is also possible that to curry favour with the managerial elite, the President will relax the government's privatization programme.

We thus see that the President's economic policy and cabinet are more adapted now to the mentality and requirements of state industry leaders.

Two scenarios

Central figure

However, it would thus far be stretching a point to say that in his economic policy Yeltsin is resolved to orient on managers as such and moderate reform. He realizes well enough that the reform tempo is in effect the issue of power: whether it will be controlled by the new or traditionalist – largely traditionalist in origin – elite. Yeltsin's moves, at least until lately, were aimed rather at enlisting the more "market convertible" managers, in other words, at securing the backing of economic execu-

Does the President have enough creditability to decide on a referendum?

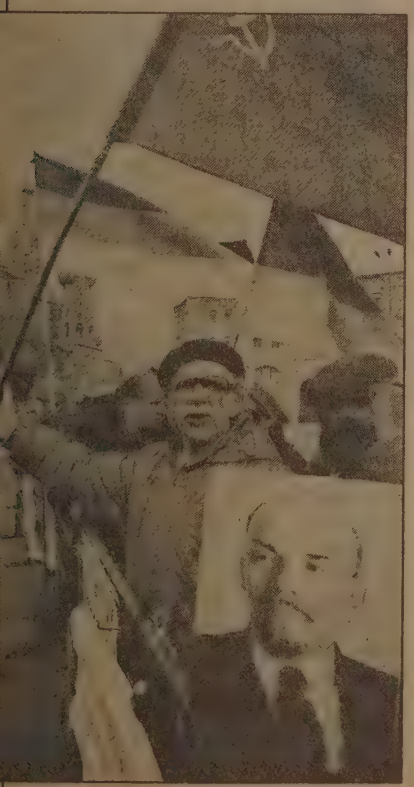
Pre-term elections could, as many hope, make Parliament more effective

A quarter of the necessary number of votes has already been won for an anti-Yeltsin referendum

tives prepared to support radical reform, provided it is somewhat amended.

Unlike radical democrats battling against the *nomenklatura* generally, Yeltsin is inclined to give that part of the old *nomenklatura* capable of doing so the opportunity of rallying to his banner. This stance, which paves the way for a broader political block fully conforms to Yeltsin's overall strategy, a specific feature of which is the desire to arbitrate not only between the executive and the legislative, but also between the differtent trends in his own team that he is consciously forming on a sufficiently broad basis. In that respect his policy is largely akin to Gorbachev's middle-of-the-way tactics with the only difference that Yeltsin has assumed the role of the central figure in a divergent yet politically far more homogeneous team, which for that reason offers him more opportunities for putting his middle-of-the-way policies into practice.

Apart from everything else, for Yeltsin the modified reform strategy and emergence of an intellectual-*nomenklatura* "coalition" government serves as a means of reinforcing his backup in impending purely political



grapples, where what face the President are problems that are as complicated and complex as in the economic area. Yeltsin has unequivocally declared his intention of installing a presidential form of rule.

For him the first paramount move thereto could be a referendum on private land ownership, the presidential prerogative for appointing referendums, and a vote of convidence in the Congress of People's Deputies.

The President will decide

True, one cannot say the President is taking the prospect of a referendum with a light heart untormented by doubt. Though no longer fearing the Congress of People's Deputies, Yeltsin and his men have still not fully shaken off fear of the "silent majority" or rather of the possible impact on that majority of sundry opposition groups, quasi-officially more and more frequently termed the "comspiracy of the *nomenklatura.*"

It is also possible that the chary view of the referendum that at least some of the President's team take is nourished by their understanding of all the tangible intricacies and issues with which preparations for and the holding of the referendum will be fraught for both the authorities and for the country, intricacies and issues about which spokesmen for sundry micro-parties and protoparties, with no stake in the abolition of the Congress have intensively notified the authorities of late. This, more specifically, implies: the palpably enhanced destabilization of the political situation which is fluid as it is; more active opposition to reform; the more acute national and geopolitical problems along the fringes and in the ethnic areas; the involuntary *de facto* acknowledgement of the breakaway from Russia of several territories refusing to hold the referendum (there will inevitably be such territories and they mean not only Chechen); a likely new impetus towards autonomization; demands for the central authority to limit its powers; the obvious paralysis of legislative activity up to pre-term elections; and, finally, a possible flop should less than half the electorate turn out for the referendum.

Yet affecting the current political situation are factors which, besides restraining referendum preparations, are on the contrary impelling the President to hold it as soon as possible. These include, more specifically, the war between the executive and the legislative, as resumed with such unprecedented force virtually at once after Yeltsin's statement to hold the referendum. The sharp criticism voiced of the President's initiative by Ruslan Khasbulatov and his deputies, along with their attempts to come to terms with Sergei Baburin and Parliament's intensive rejection of governmental bills leave not a shadow of a doubt that for Parliament and its leadereship the current battle against the referendum is the "last and decisive" one, which, incidentally, fully corresponds to reality.

There is one more circumstance prodding Yeltsin to step up the referendum. This is the organization by anti-Yeltsin forces of their own referendum to strip the President of emergency powers before the term is up. By the middle of this month a quarter million signatures, or 25 percent of the necessary number has been collected in support of this referendum and it is absolutely obvious that in a country of 150 million it will be easy enough to amass the remaining 750,000 signatures.

Depending on whether Yeltsin decides to hold the referendum or not political developments in Russia will follow two essentially different scenarios.

"Compromise with Parliament"

Renunciation of the referendum and a compromise with Khasbulatov will inevitably transmute the current, largely tactical economic "mini-Thermidor" into the first step towards deradicalized reform. That would bring about the emergence of a powerful managerial bloc in the government and in and outside Parliament that would seek to topple the team led by Gaidar, who from June 15 on has been empowered to act as Prime Minister, and other influential radicals. That would tilt the balance of forces and ideologies at the pivot of state decision taking, which in turn would inevitably slacken or even modify reform. Then broad Western financial assistance would scarcely be forthcoming, and Russia could also lose the West's political backing. Now Yeltsin would no longer be able to arbitrate between political and social forces; on the contrary, he would be hostage to the state economic

sector and personally to Volsky and Khazbulatov. Since such an eventuality does not accord with Yeltsin's notion of strong presidential rule in Russia, or with his own political temperament, he will give up the referendum only if subjected to extremely intensive pressure.

"Yeltsin or chaos"

In the process of preparations for the referendum, the political situation will be intensified by the mass media and hence will become a plebiscite with respect to Yeltsin as such. This will, naturally, increasingly politicize society and polarize the electorate, with the majority for the President, a minority against, and an undecided minority dwindling as the date of the referendum draws near and as the population comes to realize that the issue is one of "Yeltzin or chaos," which the President's supporters in the mass media will quite plainly emphasize. Faced with this alternative, many leaders of the present middle-of-the-way and "unaligned" protoparties will be obliged to take a definite stand. In other words, the conduct of the undecided part of the electorate will be similar to the conduct of the undecided part of Congress deputies.

The issue of what a pre-term general election, that the referendum inevitably entails, might yield is obviously the crucial aspect for the referendum's sponsors and opponents and for the country generally.

Some spokesmen for political parties loth to have the Congress abolished maintain that such a general election would not yield better deputies and hence would at least be useless. That is wrong. Though it is extremely difficult to forecast the outcome of such an election, one may already confidently state that if we are to evaluate the deputies from the angle of effective parliamentary work for reform, a pre-term election would definitely produce a better body. Here one must necessarily take into consideration the way in which elections are influenced by the three basic forces involved, to wit, the voters, the groups possessing material and organizational resources for backing the candidates they nominate, and finally, the President who may bless some candidates and not bless others.

First, take the attitude of the electorate. At the 1990 elections, the more popular figures were the ideologically thinking candidates. True, most had no constructive programme, which was not only and not so much because the time for such programmes was still not ripe. They had neither the inclination nor the experience to interpret the situation constructively and pragmatically. For them, as for the 1990 electorate, it was adequate to juggle with such catchwords among others as "progressive," "reactionary," "democracy," "partocracy," "Stalinism," "Leninism," "socialism," "capitalism," "freedom" "the people" and "equality."

But by now, to judge by many tokens, public opinion is sick and tired not only of slogans but even of the very style of ideological pronouncements. That is borne out, for instance, by the extreme unpopularity of ideological demonstrations and rallies, even in Russia's more politicized cities and towns. Wherever strikes and mass political actions occur, they are increasingly more concrete. This swing in the electoral mood means that the new Parliament there has less "ideologues" and more pragmatists, which is already a good thing.

One more parliamentary group, the socio-professional group of heads of state enterprises, state farms and collective farms, will also definitely diminish. At the previous elections they had had the outright organizational backing of the Party apparat and furthermore, their involvement in authority unquestionably yielded political dividends. At a new general election, they will no longer have such advantages. Then for most of them the economic crisis will have undercut possible former popularity. Consequently, reduction of their number in a new Parliament is most likely.

Entrepreneurs in the arena

A few words now about groups financing and backing the hustings. At the previous elections possibly the only serious forces capable of that were the Communist Party and the opposition Democratic Russia bloc. Today the organizational and financial potential of procommunist oriented groupings is plainly much less. As for Democratic Russia, it no longer exists as a united bloc. Now in the arena is a force that carried no political influence in 1990. We mean private businessmen.

This force not only wants to have its own people in Parliament, but also has the financial and organizational potential for active involvement in the hustings. It would thus be only natural to expect that a new Parliament would have far more members speaking for the new class of entrepreneurs, who have a vital stake in stepped-up reform and the eradication of arbitrariness and corruption in state bodies.

Also conducive thereto would be the abolition of the Congress, inasmuch as the legislative body would now be more compact. This would, firstly, augment the responsibility each MP bears, and, secondly, deprive MPs with a penchant for demagoguery of all hope of influencing decision taking by exploiting the mob effect in law making, as was to be observed at the Congress until lately.

Finally, the President factor. It is absolutely plain that Yeltsin will involve himself in the hustings by granting or withdrawing support. Though it would be naive to think that Presidential benediction could fully guarantee election victory, it is unquestionable that the President's moral and organizational backing would substantially influence the electorate. In a way that would scarcely be any the less in evidence than Democratic Russia bloc activity in 1990. In the upshot Parliament would come to have a rather large proportion of members not only subscribing to the President's programme to one or another degree, but also linked with the President and his team both during the hustings and the elections. Whatever the outcome, the proportion of such members will be greater than is to be seen in the present Parliament. Consequently, the new general elections would pave the way for crystalizing a parliamentary "presidential faction" backed in the localities by the President's representatives and an organizational web of presidential movements that preparations for the referendum and elections would inevitably entail. Provided the situation is favourable, this may in time become a presidential party.

Igor Bunin
and Mark Urnov

Photo by O. Ivanov

Limonov offers the "Beirut experience"

O, this *glasnost* of ours!

"We pinned so much hope on this beloved child of *perestroika,* the fair belle, the forerunner of justice whose fair glance would dispell the stale atmosphere of stagnation, giving birth to benevolence, mutual human trust, and the will to bring order to our common home..."

These penetrating lines published two years ago in the newspaper *Sovetskaya Rossiya* (Soviet Russia) belong to Gennady Zyuganov, the then Deputy Director of the CPSU CC Ideological Department. Of course the aforesaid simple-hearted "we," who were allegedly deceived by *glasnost,* are just charming, especially when one takes it into consideration that it's precisely in this Department's office that such pillars of domestic pluralism as *Puls Tushina* (The Pulse of the Tushino District), *Den* (Day) or *Istoki* (The Sources), to say nothing of *Pravda, Glasnost* and *Sovetskaya Rossiya* were fostered and launched... It's exactly there that Comrade Zyuganov's dreams really embodied goodness and beauty, "mutual human trust" and "brotherly interest" are fast connected with each other as handcuffs on the hands of an arrested recidivist are. For instance, the newapaper *Den* which deems itself a "mouthpiece of spiritual opposition" has developed a lovely habit of invariably calling the legally elected Russian government a "temporary occupation" authority every time it is mentioned by the paper (no matter how efficient this government is). I'll refrain from citing some other quaint epithets used by this sort of press...

Well, any paper no more than reflects the events taking place in the country, and if *Den* carries on its frontpage a topical quotation by the notorious K.Pobedonostsev (that all Russia's troubles originate from the free press in general and journalists' irresponsibility in particular), one can say that it's up to the paper to choose idols for worship. Yet it becomes increasingly difficult to get rid of the impression that periodicals representing a certain trend of thought contribute to the atmosphere of instability and disregard for the law. It's merely shocking that people are ready to so daringly violate the laws of the state they live in, while calling themselves patriots on every occasion.

The people who use the civilized word "opposition" to identify themselves don't care for the law. The newspaper *Sovetskaya Rossiya* which published the sobbings of a party functionary about the abuses of *glasnost* now places another "Letter from Paris" by the writer Limonov who expresses his hope that "Muscovites will at last follow the example of Paris citizens of 1789 and 1848 and explode." He believes that "we have the right to respond to the regime's silent violence by force." He goes on to teach: "The opposition must physically intervene every time when the weak and the poor are offended, expelled from their houses, privatized and belied." "Such actions," he says, "will win the people's love and esteem." He gives instructions: "Separate, dramatic actions by small and well-organized detachments may prove much more effective than many-thousand-strong rallies." And explains: "In particular, I regard as interesting the 'attacks' of Romanian miners on Bucharest. Miners wearing caskets and armed with picks and iron rods can let the insolent brazenfaces in power feel that we do not intend to tolerate their experiments on us any longer." Furthermore: "We can make use of the experience of Iran and Beirut..." Will you please tell me who are these "we" who are to make use of this experience? You can't expect much from Limonov (I'd like to see him give such advice in Paris where he lives), so he affords writing, as a commentary on public rallies in Moscow and, obviously, with sincere regret, that, although "there was a physical clash between the authorities and the opposition on Army Day of February 23 which promised a growing of the confrontation into the next stage of physical struggle," nevertheless, "on the next historical day, the 17th of March, the authorities learnt a lesson from its February doubtless defeat and retreated, while the opposition lacked the courage to rush to an open fight..."

You'd better say it out to the end – what kind of open fight you want? What sort of "holy war in the streets" (this is a quotation!) are you calling for? Are you at all sane, my dear friends?

It'a pity of course that precisely the people who have so long and so successfully struggled against any likeness of freedom of the press enjoy the fruits of this freedom more than others. Evidently, there is nothing to be done about it. Life in democratic society differs from the life we are all accustomed to in that we have to coexist with those who are personally unpleasant for us. We may dislike our opponents' ideas as well as the way these ideas are expressed, yet we have to endure all that. Is it worthwhile to perfect one's adherence to democracy and pluralism on things which have nothing to do with these wonderful concepts? For example, on appeals to unleash a civil war, to arrange marches of "iron rod-armed" provincials to the capital, to spill blood which, with our chronic hemophilia, will not be so easy to stop?

It's obvious to me that the Public Prosecutor's Office, if it has the slightest respect for the Law it must defend, is obliged to bring the newspaper to court for having published the instigative article of the Paris writer. The Supreme Soviet is obliged to consider the case of Russian deputy Chikin who heads the paper, or else...

However, Limonov has explicitly comforted his Moscow comrades-in-arms on the question of possible troubles: "One needn't fear trials or imprisonment which can only be temporary, for the national patriotic movement is fated for victory."

For the time being, those "fated for victory" are trying to start a fight...

Pavel Gutiontov

FROM THE 20th CENTURY POLITICAL THOUGHT

Introduced by *New Times* analyst ***Rostislav Zolotaryov***

On March 17, 1917, a provisional government – Central Rada – was established in the Ukraine to become a permanent one in April of the same year. In June, the General Secretariat, a body analogous with a council of ministers, was formed in it, with Vladimir (Volodimir) Kirillovich Vinnichenko, 37, appointed its Chairman and, at the same time, General Secretary of the Interior. A writer who had achieved wide renown by then, he represented the Ukrainian Social-Democratic Labour Party in the Central Rada. Vladimir Vinnichenko had joined the revolutionary movement at the age of twenty when he applied for membership in the Revolutionary Ukrainian Party close to the Socialist Revolutionaries. As early as in 1907, however, he transferred to the Ukrainian Social Democrats.

Shortly after the proclamation of the Ukrainian Soviet Republic in Kharkov at the end of December 1917, Vinnichenko's first political mission – he had undertaken the hard task of building up a national state – came to an end. In April 1918, Soviet power was replaced by the rule of Hetman P.Skoropadsky who was buttressed up by German troops. In November, the Skoropadsky regime fell, and Vinnichenko headed a new government, the Directorate. He clamoured for "labour councils," for the "Ukrainization" of political life, for an independent foreign policy. In February 1919, Kiev was retaken by the Red Army, and Vinnichenko's second spell in office came to an end, although the Directorate stayed on for a while.

Upon resigning from the Directorate, Vinnichenko emigrated but shortly afterwards, in 1920, reconciled himself with Soviet power and even joined the government as Deputy Chairman of the Council of People's Commissars (national "personnel" was still held in high esteem then). The third spell in office was also brief – by the end of 1920, Vinnichenko was compelled to emigrate again. His attempt to combine love for his country with serving the cause of socialism (which is international in essence) failed. Vinnichenko died in 1951, in Paris.

Today we are submitting to you excerpts from his *Diary* which cover the period of his first chairmanship of the General Secretariat. These entries afford an insight into the atmosphere and the inner workings of the first Ukrainian national government. They are not only "snapshots" but also diagnostics of the "infantile disorders" of a new and inexperienced statehood, and have to do not only with the Ukraine and its history...

Mr Minister

Vladimir Vinnichenko (1880–1951)

I buy chairs and desks for the Secretariat, go shopping, receive representatives of the Provisional Government and foreign journalists, pay salaries to members of government, look into the projects of various organizations hatched by the "novelist" Petlyura, write an article, conduct negotiations with workers' and soldiers' deputies over the palace, listen to the recommendations from all and sundry who suggest "assuming for powers of government," convene the Secretariat and bring in chairs from the other rooms of the Pedagogical Museum (the seat of the Central Rada) so as to have something to sit on. People buttonhole me in most unlikely places inquiring where they can buy books on history, demanding the address of Mr X, asking for jobs or for information on when the Ukrainian Constituent Assembly will be called, seeking my intervention in adultery cases. When I come home in the evening, the janitor tells me that three or four uniformed characters tried to find their way into my apartment for an undisclosed purpose. Every morning and every evening I get letters threatening me with death for disturbing the united Russian nation with Ukrainianism.

This is what being an Ukrainian Minister amounts to. Truth to tell, I have once had a somewhat different notion of this position.

To cap it all, Ukrainian Social Democrats, Ukrainian Socialist Revolutionaries and Ukrainian MPs of every description are playing at parliament and other such nauseating things and torment me almost every day by "interpellations, inquiries, formulae of transition, confidence and no-confidence votes..."

In the meantime, I am wistfully yearning for the quiet of the steppes and for my favourite work – independent and no less useful than that of a Minister... I feel sore, sad – and I can't help laughing. The General Secretariat of the Ukraine is the supreme authority in the region as every regular newspaper reader knows. However, anyone, whether he reads the papers or not, knows also that this authority is doing little so far to wield this power. The gentlemen of the Kiriyenko department (Kiriyenko was the Provisional Government's plenipotentiary commissar in the Kiev Military District. – **Ed.)** scoff at this and try to undermine the foundation we have taken such great pains to put together, stone by stone.

The impatient "loyals" demand that we should "assume full powers of government." Which does not mean at all that they imagine all the implications of that. The lust for power is unquenchable. Those hankering after statehood just can't wait. Do not envy me, I am just being pestled in the mortar of all sorts of demands – anyone who can hold the pestle comes in and pounds away. Even children, who haven't learned to handle the pestle yet, do it. Incidentally, the children are the biggest nuisance. They and senile politicians with their trembling hands.

Amazingly, it takes very little to satisfy children and the aged. All you are supposed to do is not to take action but to strike an attitude. Just strike the attitude of omnipotence, and you will suit those politicians fine.

Indeed, we are an infantile nation...

...I have lost all self-respect – sometimes I have to strike an attitude in order to try and convince someone that I really and truly want the revival of my people. I am dead tired, I am painfully aware of our historical unpreparedness and, at the same time, I am supposed to make believe that our forces are inexhaustible. I have no option in the matter. The heroic period of our renascence is not over yet. It is necessary to maintain the upward trend by all means...

The "minority" seeks to spike it (the Secretariat). The Bund and the Mensheviks are going to withdraw from the Central Rada following the Constitutional Democrats. The "minorities" are organizing and declaring a civil war on us. The spectres of pogroms and massacres are becoming over more tangible. The region is floundering about in a cesspool full of deserters, thieves, demagogues, in a cesspool reeking of moonshine and self-made cigarettes, of cannibalism and

hate. Distilleries and sugar refineries are ablaze; the railways are alive with soldiers who have headed home from the frontlines in a drab, wild and hungry mass. "Seize power, save the land!"

The northeners have clutched at power and won't budge an inch. An impotent paralytic has dug his centralist claws into "single and indivisible power" and, in his savage fury, won't let it go. He doesn't merely spit at us, he is trying to discredit us and to foment provocation.

Oh my Lord, what a horrible thing the revival of national statehood is! In historical perspective, it may seem light, self-understandable and natural; but it takes superhuman effort, a lot of cunning, malice and irony to put together the stones of non-statehood into a structure which our posterity will find so comfortable to live in.

(Entries of September-October 1917)

My position is like that of a man with his hands and feet cut off. There are no hands, empty sleeves are dangling instead, but sensations remain: the palms are itching, the rheumatic pain is still there in the little finger, and you can still lift a hand to wave a fly off your nose. The same is true of Central Rada and the Secretariat. There are no hands, my sleeves are empty, but I have the feeling that I have the hands, that I clench my fists, that I grab someone and push him away from something I've built with my own hands...

> We are indeed like children, we are an infantile nation

The question arises here: don't we act as counter-revolutionaries without knowing it? What if the People's Commissars have more reasons to lead Russia, and the Ukraine with it, to the socialist revolution?...

A poor housemaid wants to take over the mansion and to become a lady. A wretched nation which history has so cruelly and maliciously derided... A nation which too much has been taken away from...

By now it has become obvious that an overwhelming majority of the Bolsheviks do not know what they are doing. It is also clear that the broad masses are not aware of the ultimate purpose of the movement they are active in; there is no denying the fact that they are guided by the primitive instinct of social thinking, by the idea of crude, elementary justice, and by the lowest feelings and inclinations of human nature. Thousands of human sacrifices, bloodshed, tens of thousands of lives lost, suicides, the destruction of economic, political and everyday-life machinery – all these are serious facts; these are no jokes but actions made to achieve a certain purpose, in which case any means are good to an end. It is awful to think how much trouble people can cause for the sake of momentary power. They cannot fail to see that they have started a horrible big game in which they can lose their own lives.

Nevertheless, they are at it. What is this? Is this unshakeable faith in the feasibility of the cause? Are they really so deeply convinced that a social revolution and a socialist system are possible in Russia in the full measure?

One has to be convinced of that without a morsel of doubt. Because as soon as doubts arise, and *pros* and *cons* are weighed, the result is not absolute faith but probing one's way along by trial and error. If so, then where is the courage required by such a dramatic and risky effort to come from? And what about the fear of punishment? By punishment I mean pangs of conscience, the guilt complex, craziness. One has to believe in his cause without hesitations – or to be a real hero. Because they should know that they have no place to hide in if they lose. Reactionaries will shoot and kill them as they do others. If they defy the Western European bourgeoisie and its governments, they will stand no chance of finding refuge abroad, they will be in for unavoidable death. The man in the street will tear them apart by himself. Or are they going to trample upon democracy and bourgeois laws and regulations and to hide themselves somewhere in Switzerland or Britain? Have they made all the provisions for that – passports, money, clothes?

All right, and what if we take a simpler view of things? What if the poor are really fighting the rich, have taken over power, and want to topple the dominant "bourgeoisie"? We do have too much ruthlessness, brutality, undue malice, a lot of mistakes, and so on. It is a fact, however, that the masses of the poor trust the People's Commissars fully, that they will readily follow them, that all the poor are Bolsheviks, that the People's Commisars are with them, with the poor, against the rich, against the bourgeoisie. Whether the poor gain anything from its power takeover is another matter. The main fact is that there are two antagonistic sides – the poor and the rich who fight each other.

Now take someone who has never furthered the interests of the rich, who has laid down his life for the ideas of the revolution, but who does not believe that these ideas can be materialized by Bolshevik methods. What is he to do?...

...I feel sad and melancholy, and I wish the misunderstanding between the Rada and the People's Commissars has not happened. The revolution might have taken a different course. Even if it hadn't produced socialism, it would not have delayed its realization to the extent it probably has. In any case, this would have happened without us, without the genuine socialists of the Ukraine who are now forced to ally with their social enemies.

Reading the history of the Ukraine is an unnerving experience – throughout the existence of its statehood (or rather semi-statehood) this wretched and downtrodden nation has been snarling back at all sides – at Poles, Russians, Tatars, Swedes. Its history is a continuous record of uprisings, wars, fires, famines, raids, coups, intrigues, quarrels... Isn't it going round in circles? No sooner had we tried to become a state of our own than Moscow clutched at us like grim death. On the other side, Poland has mobbed up its legions. Someone stronger has come in, driven Moscow away, pushed the Poles off, taken us by the throat and is now squeeing us dry. A fourth party, Austria, has joined in...

In the middle, it's all the same. Despicable sycophants, national riff-raff, parasites and crooks are selling the country out to the highest bidder. The posterity of grandfathers is as bad as its grandfathers were, to quote Taras Shevchenko. The downtrodden and helpless nation is again waiting for another master to take possession of it. If Moscow finds it profitable to give us over to the Germans, it will; otherwise, it won't. Neither the Ukrainian history, nor the Ukrainian paper can be read without a tranquillizer within easy reach or without a good portion of philosophical caution.

(Entries of January-February 1918)

Prepared for publication by
Ivan Zadorozhnyuk,
Cand. Sc. (Philosophy)

Twixt carnation and sword

A celebrated Spanish poet recalls meetings with Picasso, Pasternak, Koltsov and Stalin

"When the memory fails there is no point in living," Rafael Alberti once told me. "Whenever I forget a book title or name I feel terrible."

I must say that Rafael Alberti who is about to turn 90 has a truly phenomenal memory.

Having descended the steps outside this imposing building, where he had just lectured, he paused for a brief rest. A fluffy dog rushed towards him, and sitting down on a bench, he patted it.

Rafael Alberti

Picasso: "I'll have to throw out some sketches"

"Maria," Rafael turned to the young lady accompanying him, "where do you think I can get a copy of Paris-Soir?"

"What, right now?"

"Yes, right now!"

"What on earth for?"

"Well, you see," he chuckled, "I've just recalled what Pablo Picasso used to do when walking his dog. He'd always buy a copy of Paris-Soir. Not to read it though, but to tear off page after page and let them fall onto the pavement. Each time the dog, who'd been trained to do that, would stop to leave its 'mark' on the torn-off page."

After we stopped laughing, I asked Rafael:

"But seriously speaking, could you recall how and when you met Picasso?"

"I," the poet replied, "was first introduced to him in Paris in 1931. I remember him one late night inviting us up to his studio. We had a very jolly time with Pablo as happy as a sand-boy. Towards the end he led me up to a wall upon which he had pinned his sketches and said: 'Though I did all that today, I'll have to throw out most of them.' I objected but he obstinately shook his head, and I realized that only a genius could be so self-exacting.

"In the 1960s I met Picasso more often, because I was writing a book entitled *The Eight Names of Picasso*. Work was going ahead well, but there were times when Picasso could not be reached even by friends. His wife Jacqueline kept visitors at bay and sometimes it seems to me that it was thanks to her 'vigilance' he was so prolific.

"I remember one day as I was coming out of Picasso's house, one of the newsmen in the crowd who had gathered outside, inquired of me what we'd been discussing. I was very much amused, because often we talked about the most incredible things. On that particular day we'd been arguing about the origin of the odd, surprising words one finds in different languages. Often he asked me to retell jokes and anecdotes from Andalusia. We would talk about our homeland and our sympathies and affections, and, of course, about the corrida, because as true Andalusians we had both dreamed of becoming matadors. In fact at one time I started a pig-tail until at a French language lesson a friend of mine snipped it off."

Pasternak: a secret meeting

"Rafael," I asked, "you were acquainted with many of my compatriots. Who has stayed with you in your memory?"

"I will never forget the First Congress of Soviet Writers in 1934, to which I was invited. I was impressed there most by Boris Pasternak, who was already being treated rather coolly, if not with suspicion, by the authorities as I could not help noting. I well remember him mounting the rostrum and the deafening ovation in his honour, especially from among the younger generation, which I think was in protest against his unfair treatment by the official authorities.

"The last time I saw him was in 1957. He was already in disgrace, after having published his *Doctor Zhivago* abroad. It was rather risky meeting him, for which reason when visiting him at his countryhouse, we did that secretly. His house stood in a lovely birch thicket, right outside Moscow. From time to time those with us there would peep out of the window to see whether anybody was roaming around in the vicinity. At that time running in Moscow theatres were three of Shakespeare's plays in his translation, and each night the audience applauded him. However, troubles continued to mount, especially after the award of the Nobel Prize for Literature, which he was forced to decline. I think that that was when he began to translate some of my poems, at least ten of which were published in Russian."

Koltsov: "A revolutionary is no suicide"

"In his *Spanish Diaries* Mikhail Koltsov devotes many pages to you and your wife Maria Teresa Leon. What were your impressions of Koltsov?"

"He was a fascinating man, a real chronicler of our Civil War. One late night he called on our Union of Anti-Fascist Intellectuals. Madrid was surrounded and we expected the insurgents to burst in any moment. Maria Teresa Leon and I were cooped up in our little room waiting for the end. All we had was a small lady's pistol that neither of us knew how to fire. We told Koltsov that we would not go and would defend ourselves. 'We, Spaniards, anti-fascists and revolutionaries,' I told him, 'urged defending Madrid, which means we must die with its defenders.' You should have seen how angry he grew. 'You must go at once!' he shouted, forgetting that we might take affront. However, his reasoning impressed, especially when he said: 'The revolutionary is no animal to be led to slaughter, no submissive zealot, no suicide. While he can, he fights, goes forwards and resists. When he can't, he retreats to husband his strength, hides and runs away, but again to resume the fight as soon as he can.'

"Mikhail Koltsov arranged for us to meet Stalin who okayed that. I was most surprised later to learn that Koltsov, who had eulogized Stalin, had fallen victim to his terror."

Stalin: "The war uses up everything"

"What impressions have you retained of your meeting with Stalin?"

"At the time that was a gret highlight for us. We were visiting Moscow in 1937 when one morning our friend, the poet and translator Fyodor Keliyn told me that we had a very important day ahead. I was in Moscow with my wife Maria Teresa Leon who, sad to say, is dead now.

"An officer came up to our table and said: 'Comrade Stalin is expecting you. Have you got your passports with you?' He escorted us to the waiting car."

Rafael gazed impassively at the window and fell silent. Then he rose leaning on his stick and went out to return a few minutes later with a book inscribed on whose cover was the title "Melancholic Reminiscences" and the name of the author, Maria Teresa Leon.

"My wife kept a diary," Rafael continued. "And in it she described our meeting with Stalin. Would you like me to read it?"

"We drove up to the gates of the Kremlin," he slowly read. "We showed our passports at the window, the sentry greeted us and let our car through. We drove up to one of the buildings. It seemed to me as if the dominant colour inside was green, I would say, a light green that was very pleasant. Even the fronts of many of the buildings were painted green, which, as far as I could judge, was adored by the Russian monarchs who had lived here before and by the Kremlin's present rulers. We ascended a staircase and walked down several long corridors and past several lovely rooms. Finally we entered the reception room. A colonel rose from behind the desk and said: 'Comrade Stalin would like you to wait.' On one of the walls we spotted a huge map of Spain, with pins and small flags stuck into it, and on another wall a somewhat smaller map of Madrid. The differently coloured little flags designated the theatres of hostilities and the bombings. Which meant he was really interested in our lot. The door opened and Joseph Stalin himself invited us in.

"Stalin asked us whether we intended to publish our conversation in the press.

"'No, no,' we chorused. He smiled, pleased with our reply.

"Stalin very well knew who we were and what we were. He had been told that Rafael was a popularly adored Spanish poet, a Spanish Mayakovsky. When he spoke, I noticed his stubby front teeth apparently ground down by the pipe he constantly kept in his mouth. He seemed thin and sad, as if worried. Before lighting up his pipe, he turned to me and inquired: 'May I smoke?' 'Please do.' With this tactful manner he immediately won our disposition.

"'I'd like to tell you a good piece of news," Stalin said. 'At Guadalajara the Italians have sustained a crushing defeat. I've just received the information.'

"Stalin smiled, pleased with the impression made. We discussed many matters, among them a plan to hold a writers' congress in Spain which we wanted to do to afford writers from all over the world the chance of seeing what was going on in our country.

"We knew that Stalin was none too enthusiastic about having a group of Soviet writers go to this congress, to which we had also invited Andre Gide, who had just produced his *Retour de l'URSS,* which the Soviet official authorities had frowned upon. We were wondering what he would say.

"'Of course, why not have them go?' Stalin said.

"We then observed that because of the hostilities it was becoming harder and harder to take good care of the children.

"'I know that if I asked Soviet women whether they would like to bring up Spanish children, I am sure that all Russian mothers would hug them to their bosoms,' Stalin continued. 'But that's very hard to do because we do not have a common border. True, we might be able to do something with the help of the Red Cross.'

"How long had we been talking? I remember that the colonel said after we came out: 'You were enclosed with comrade Stalin for two hours fifteen minutes. He's never paid so much heed to anyone else.'

"'We are too far away,' he said. 'It is becoming harder and harder to provide military assistance. We have no common border. It's for France to help Spanish democracy. Our ships spend much time making their way to your ports. Some are sunk in the Mediterranean by fascist torpedoes. You know that we ship many weapons, tanks and aircraft, but the war is using up everything. Don't forget that every Soviet adviser killed in Spain disappears forever without trace anonymously.'

"We bowed our heads. He clasped our hands and gave us an approving smile, as if we were children who needed to be cheered up."

"It's not for us to pass judgement on everything that happened afterwards in the Soviet Union in connection with Stalin," Rafael Alberti said. "Let historians and politicians do that."

"What is your credo in life, Rafael?"

"I've got a book entitled *Twixt Carnation and Sword.* Now and again it seems to me that this title offers the clue to an understanding of my political and poetic credo."

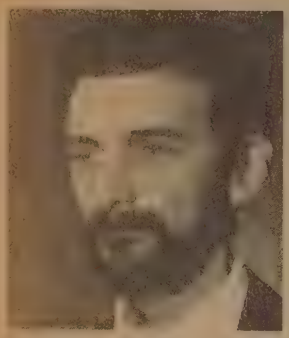
Valeri Volkov
MADRID-MOSCOW

NEW TIMES
INTERNATIONAL

Your most reliable source of intelligent information from Russia

Long-standing tradition with a modern touch

First published in June 1943



"Moscow is like home for me," **Hikmet Gadji-zade,** co-founder of the Azerbaijan Popular Front, said in a TV talk recently. The 37-year-old biophysicist took up the duties of his republic's plenipotentiary in the capital of Russia.

The Baku youth of the seventies remember him well as a popular rock guitarist who enraptured the audience by his improvisations at student festivals.

In Moscow, Gadji-zade wrote his thesis for a candidate of science's degree on the problem of ion transport in biological membranes. Hikmet's supervisors insisted that he continue his research in one of Moscow's prestigious centres. However, the yearning for home proved stronger.

The growth of democratic movement in Azerbaijan put an end to Gadji-zade's scientific career. His name was on the list of 15 members of the first board of the Azerbaijan Popular Front. Being one of the ideologists of the front, he founded the Russian-language newspaper *Svoboda* (Freedom) and became its first editor.

Gadji-zade's first working week in his new capacity ended with a pleasant event. An official reception was held in the plenipotentiary's office in Moscow for the first time to mark the 74th anniversary of the independent Azerbaijan Republic.

* * *

The Soviet Committee of Solidarity with Latin American Peoples will continue its activity as the Russian Committee for Cooperation with Latin America. **Karen Khachaturov,** 64, chairman of the previous committee, will head the new organization.

A doctor of history, professor and the author of many books on Latin America, Khachaturov devoted many years of his life to work in the Novosti Press Agency, which he left in the capacity of deputy chairman of its board. From his books and booklets the readers learned about the expansionist policy of US imperialism in Latin America, the Latin American Communists as "the most staunch and courageous fighters for people's happiness," and the growing influence of Marxist-Leninist ideas and the Soviet Communist Party there.

Writing about Pinochet's military regime in Chile, Karen Khachaturov noted that the junta "publicly sold out the natural resources" of that country while "international currency dealers" from the International Monetary Fund and foreign monopolies "tore asunder like carrion crows the fragile organism of the Chilean economy."

The old-new chairman told journalists that one of the first measures of the Russian Committee for Cooperation with Latin America would be the holding of a scientific seminar with the participation of Chilean economists who, he said, "have carried out the widely acknowledged economic reform."

* * *

The deft boys washing car windows at crossroads, and all enterprising teenagers in general, now have a new mentor and partner, *Detskaya Delovaya Gazeta* (Children's Business Newspaper).

Yuri Osipov, the editor of the advertising and publishing house

Culture takes priority over business

Sezon is a Japanese group which unites more than 130 companies and has an annual turnover of 130 billion dollars. It established its office in Moscow many years ago. However, the main interest of the group lies in the field of cultural exchanges with Russia, not in industry and commerce. This is why its office is headed by **Noriko Endo,** a philologist who completed a postgraduate course at Moscow University. She has lived in Moscow for the last 20 years, fully devoting herself to acquainting the peoples of the two countries with each other's cultural achievements.

The first step was made in the mid-1970s, when a centre for the promotion of ties with the Soviet Union and Eastern Europe was opened at Seibu University with the assistance of the Sezon group. Later, the first five-year plan for the development of cultural ties between our countries was signed, and exhibitions of Russian national treasures were organized in 1979. The participation of the Sezon office in the cultural exchange between our countries did not pass unnoticed. The Sezon group was the first foreign corporation to be accredited in the Russian Federation.

The Sezon office in Russia regards charity as an important line of its activity. For instance, the group lent support to the Central Specialized Music School attached to the Moscow Conservatory by collecting funds for the restoration of its building and delivering a large consignment of goods, including cars and household appliances, to Moscow. The goods were given over to the Russian government as a gift of the Japanese Association for Cultural Ties with Foreign Countries. Sezon also took active part in organizing an auction, the receipts from which (107 million rubles) went to the Church of Archangel Michael and the Assumption in Vishnyaki, the Moscow Charity Centre, and organizations catering to war veterans, veteran workers, schools and boading houses.

This activity in Russia, Noriko Endo says, is impelled by the understanding that if the results of human labour are not permeated with culture, people are not inclined to accept them.

Image, which puts out this newspaper, thinks that the time has come to give the rising generation of Russian entrepreneurs access to civilized business. A professional journalist, he worked in the magazines *Ogonyok* (Small Flame) and *Nashe Nasledie* (Our Heritage) and the newspaper *Sovetskaya Kultura* (Soviet Culture). Then, jointly with his senior colleague Leonid Kogan, Osipov founded a publishing house, which now has several independent divisions.

In his opinion, future brokers and managers can learn in *Detskaya Delovaya Gazeta* a lot of interesting things about the enticing business world, its "stars" and authorities. The newspaper will offer quizes and competitions, table business games, practical advice on where and how teenagers can earn money, sport and rock-music sensations.

In the opinion of publishers, the newspaper must be distributed by teenagers. In this way they can participate in business, receiving the honestly earned percentage from each copy sold by them.

* * *

Some day **Elliott Muller** will write in his memoires that his interest in Russian and Russia sprang up as early as his student years.

Elliott came to Moscow in January 1991, under the programme of the Innovation and Development Centre which provided him with the opportunity to spend half a year in a hospitable Russian family. A time-proven way of raising money for travel was resorted to – working as a waiter. It was against his rules to borrow money from his parents – American children become independent very early.

At first, in spite of all efforts by the sponsors, Elliott didn't feel comfortable in the country whose language he studied. Later, having grown accustomed to it, he managed to find a good use for his knowledge gained at the University – he developed and then instituted seminars on business management and banking for our managers and bankers. It should be mentioned though that

not all our bosses deemed it an honour to learn from a young graduate even of such a famous university as Stanford. The Soviet-American joint enterprise UNIMAS trusted his competence and invited him to hold a seminar for chiefs of the Agricultural Bank of Ukraine and the Moscow Savings Bank.

And the young man "rooted down" in our country. It's almost a year already that Elliott has worked for the firm UNIMAS, which tries to introduce the use of its computer systems at financial offices and in the commercial and industrial sector. The firm's American counterpart, UNISYS, is one of the world's largest computer companies. The Russian market is not easy to succeed in, but the company looks to the future.

If Elliott's expectations come true, he will spend five years in Moscow and then go back home to America, but he will preserve his business ties with Russia for ever.

An artist who has captured the hearts of Parisians

Moscow's painter **Yuri Burdzhelyan** is widely known not only as a talented artist, but also as a distinguished professor of painting. His classes have been attended by painters well known and respected both at home and abroad.

Yury Burdzhelyan taught painting at the Moscow Polygraphic Institute for over 30 years (1954 through 1989) alongside the famous graphic artists Mai Miturich and G.Bisti. He has always eschewed orthodox academic art in his own work and has tried to teach his students to do the same. He remains bold and creative to this day. One cannot help marvelling at his ability to retain faith in the beauty of life throughout a long period of profound social disappointments. His paintings suggest an artist who is happy and wise: this is probably what lends them particular appeal.

"Moonrise Over an Old Tatar Water-Well," "In the Armchair," "The Dunes," and "Ararat" are some of his paintings which were executed in the best sort of traditional style. Nature, nudes, and still-lifes composed of the most trivial objects have been present in his paintings throughout his artistic career.

In bright colours embellished with gentle touches, the artist recreates a world in which there is place for neither animosity nor violence. Yu. Burdzhelyan makes realistic subject matter look celestial and sublime.

The artist's first personal exhibition took place in Moscow in 1986. A year later, his creations were displayed in the private gallery of G. Basmadzhan in Paris. A catalogue published in Paris had this to say about his work: "On the Parisian art market, where both painters and styles come and go every day, what seems old evokes nostalgia, and prosaic things become a revelation. One is tempted to take these landscapes from Moscow to Paris to show them to those who have not yet seen them."

Yuri Burdzhelyan's paintings have been exhibited in the famous Tretyakov Gallery, and were most recently shown in the Izograf-2 gallery.

"I constantly lacked something very important"

Two months have passed since I returned from the United States where my husband had been invited to give lectures on physics. But till now, recalling that time period, I couldn't make sense of my feelings. We had plenty of friends and there was no language barrier. Nevertheless, I constantly lacked something very important.

Of course, I have lived all my life in Russia and spent a total of three months in the United States (it was my second trip to that country). But, I think, that is not the only issue. The United States is a vast country which I do not really know. New York alone is a whole world. My notes are subjective, and some are likely to disagree with me. Moreover, I'll be happy to be persuaded that I am wrong in criticizing the great and hospitable country which has become the haven for millions of poor people from all over the world.

> We lack common sense and feel miserable in a country overflowing with it

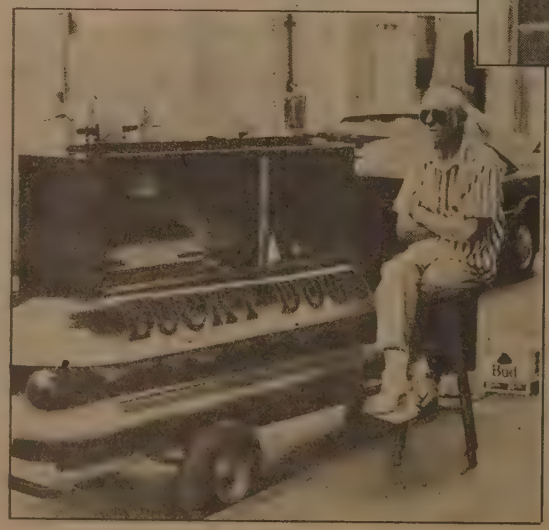
"Buttoned up" paintings

Relations between people in the States are different from those in Russia – more official, perhaps, with more attention to etiquette. True, once I heard a young man, apparently a postgraduate, lightheartedly calling out "Hi, John" to an old man standing near the elevator. The old man – an 80-year-old professor and well-known scientist – called back "Hi."

The relations between teachers and students, the young and the old are much more democratic than in our country. However, the character of relations is different. In spite of goodwill and a readiness to help, the man you are talking with seems to be "fully buttoned up." At home or in the office you are treated politely, with cordiality and a smile. Nevertheless, you feel an invisible barrier, some obstacles and limits which direct the communication into a certain channel from which there is no way out.

Americans seem to have many habits indicative of communication which is much less formal than in our country – for instance, they usually call each other by the first name or kiss each other when they meet, even though they are not friends. In fact, it turns out that being democratic and friendly does not yet mean being open-hearted. I felt the same reticence and chill in the poems and books I read and the pictures I saw during my sojourn in the United States. It was dull to walk in the modern art galleries during my first trip to the United States three years ago. On display were many bright fanciful pictures whose authors were evidently concerned only with formal searches. During my second trip I visited only one exhibition of a modern American artist, his numerous pictures were devoted to the journey of Odysseus. On each canvas was a new combination of circles and dots and, accordingly, it had a new name – for instance, "Odysseus and Nausicaä" or "Odysseus in the Cyclops' Cave."

In San Francisco I made the acquaintance of an artist who invited us to her studio. Her canvases represent colour blots, stripes and constructions – a well thought-out chaos. As the artist showed her pictures to us she complained about her loneliness. "In this city everyone is busy working out his own lifestyle," she said. "Some, retiring from the world, grow flowers and trees. Others engage in meditating, and still others perfect their bodies. No, it's not New York, which is seething with activity and has a million exhibitions, schools and trends. I had many friends there. We smoked marijuana together. Don't be frightened. It's harmless. You simply feel like you're in seventh haven and become more relaxed, sexual and talented. Oh, that was the time of my life. It so happened that I had to move here. It's a paradise for scientists, but for such people as me it's a ...," and she sadly waved her hand. The artist was well over fifty. Nevertheless, she was lively and good looking, moved gracefully



Truly American "hot dogs" are beyond comparison with milk products at reduced prices and horseshoe-shaped rolls offered by a Russian shop in Brighton Beach together with photographs of the USSR national soccer team. In Hollywood, they cannot even write correctly the word "Baker's" in Russian when shooting a film about Russia

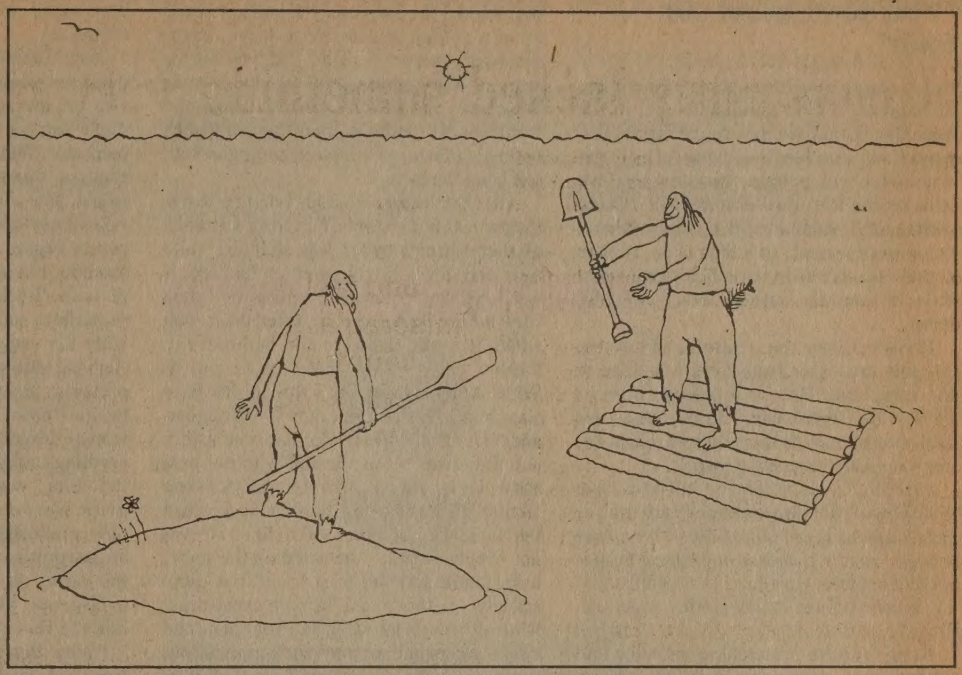
Photo by L. Yelin

and quickly, and seemed quite young. I had the desire to listen to her and look at her. She spoke eloquently, with an expressive face and artistic gestures,

A well-kept cemetery

In the pictures of American artists – ingenious, gaudy and witty – I have never felt that live nerve, spiritual ardour and heightened temperature without which art is unthinkable in my opinion. I involuntarily compare the pictures I saw in the United States with those which hang in our flat – white chrysanthemums hardly visible on the pink canvas, as if you see them in your sleep; the violent spring blossom of some fantastic trees; a winter Moscow yard with children playing in it, a scene I lacked so much in the States. For some reason I often recall the cosy Moscow house of my old friend, artist Lena Kolat. I remember her canvases – a wanderer with a blue bundle in his hands, looking at you with the air of a martyr, against the background of slush, backyards and a dilapidated wall; a pink foal and a golden horse, with the foal clinging to its mother, and a chapel at a distance on the meadow. I did not see such intimate and touching pictures in the States. Perhaps I was not lucky, or perhaps the paintings I saw revealed what I felt in American life.

Walking about large bookshops and leafing through new collections of poems, I felt that they did not excite me, for they were too balanced. In this connection I recalled an American cemetery – usually a flat open space without hillocks, but with stereotype granite slabs. Such a cemetery can exist in a country where the mentality of people is different than in Russia where they don't go through life with their head looking back, rather people look only ahead, striving for success, prosperity and their concrete goal. A guarantee of material well-being and success is high professionalism. I got the impression that in the United States every man is in his right niche and an expert in his field. It is a well-tuned system, a kingdom of logic and common sense. We lack common sense and feel miserable in a country overflowing with it.



Drawing by Piip Pedmanson (Estonia)

Being sick is considered shameful

I fainted on board the flight to San Francisco, due to a serious form of flu, and spent four hours inhaling oxygen. No sooner had we landed than a team of six robust first-aid men, looking like hijackers, literally burst into the plane. I hardly came to my senses when they measured my blood pressure and asked the necessary questions. After that I found myself miraculously in a wheelchair, two young men began to lower it on to the ramp. One held the chair and the other supported it, repeating at every step: "Down, down, down."

Before placing me in an ambulance the hospital attendants apologized for possible jolts, but there were no jolts. In the car they gave me an injection of physiological solution, measured my blood pressure once again, and recorded all my data. I shall not describe the hospital, where doctors glided up to me noiselessly to do the necessary tests and X-rays. All this took an hour and a half. After that a computer printout of medical conclusions with recommendations was handed to my frightened American friends.

Watching how Americans work, you would think that they have no family problems, spleen or diseases. Our young friend from Russia, a cardiologist on a two-year training in a San Francisco hospital, told me with laughter about the following difficulty: when he makes his daily rounds he is unable to find out how his patients feel, because, asked "How do you feel?" they always reply "Fine, OK."

To suffer, give way to despair and feel sick and miserable simply isn't done. This is not accepted, improper and disrespectful. For America is a land of pioneers who came here to break with their past and start a new life, despising obstacles, overcoming any problem. "In America, being sick is considered shameful," one of the friends told us, but with one essential reservation: the state does everything to help a person be healthy and in high spirits.

Invalids and the elderly are full and equal and even perhaps especially favoured members of society. I saw this first hand. Living with our elderly friend, an immigrant from Russia, in her cosy flat in the centre of Boston, it never occurred to us that we were staying in a home for old people. At airports and in hotels we saw cheerful senior tourists. Now and then we saw invalids moving in wheelchairs through exhibition halls, in the streets and railway stations. I was told about an old man, a recent immigrant from Russia who lost both legs during the war. Like a boy, he drove in his new wheelchair along Brighton Beach, unable to believe that at last, for the first time in 40-odd years, he independently went outside to see people, the sun and the sea. It was not Russia which gave him this possibility, but a faraway, alien, overseas country to which I could not adapt myself.

"You don't know our faith"

I strove to meet with people involved in the humanities, a field familiar to me, in the hope that perhaps in their midst I could find what I was searching for. I was lucky to get acquainted with people who know and love Russian and Russian literature. But, talking with them, I understood that many of them, being professionals of a high class, remain narrow specialists in their fields and know little or nothing outside their particular focus.

Perhaps I have the syndrome of Levsha, the folk character from Leskov's story of the same title. Here is a passage from it. "You," the British say, "do not know our faith: we adhere to the same Christian canons and keep the same Gospel."

"Indeed," Levsha replies, "all of us have one Gospel, but only our books are thicker than yours and our faith is fuller." I can't say whose books are thicker and whose faith is more complete. However, I can unmistakably spot a Russian in any motley American crowd.

Russians have a searching, piercing and sharp glance. Americans look with a neutrality which expresses nothing but goodwill. An American smiles when your eyes meet. It is characteristic of Russians to scrutinize others. A Western man believes others and takes their words into consideration. A Russian listens to others, thinking over what he hears. It is a tiring and annoying quality. It is much easier to enter into business relations with a man of the Western model. But perhaps the penetrating look of a Russian is a manifestation of such Russian qualities as fervour, humour and scepticism – qualities without which life is dull and one-dimensional, while art is impossible.

It is interesting to observe how Russians who have lived all their lives in the West have preserved innate Russian qualities while acquiring many typically American features. Prof. Ryazanovsky, a son of immigrants who fled from Russia after the revolution, was born in Harbin and moved to the United States in his youth. Up to 600 students attend his lectures on history at Pennsylvania State University in Philadelphia, whereas other lectures usually draw 10 to 16 students. Looking at Ryazanovsky – an artistic, brilliant and witty man who knows any period in Russian history in depth – I imagined the kind of university professors Russia had before the revolution.

During a lecture Ryazanovsky did not remain calm even for a second. He expressively gesticulated, paced the podium, wrote something on the blackboard. Each word, gesture and smile served one purpose – to capture the attention of his students whom he held captive by his eloquence till the very last moment. Before his lecture began the professor offered me to take a seat among the last rows. "If you get bored all of a sudden and decide to leave, this is customary here," he said. "If you sit far away, I, being shortsighted, won't see your departure." However, I took my seat in the front row in order to hear his English speech better, and it was impossible to unglue myself from the lecture.

After the lecture students lined up to ask the professor questions, he spoke with each of them attentively. I was standing quite near and saw beads of sweat on his face. It was hard work, indeed. I understood then why, before the lecture, he asked me to wait while he made a trip to the bathroom to "throw water on the face," as he put it. What American quality I saw in this Russian man – Russian not only in his appearance but also by his love of Russian history and literature – was the ability to put on a show. Ryazanovsky did not simply deliver a lecture. He produced a performance which the audience was supposed to like. He was not simply artistic – he acted on the stage, using unmistakable, long tested but quite effective methods, and he won every time. With all his vast knowledge, experience and talent, he would not have such tremendous success if he did not behave like an actor on the pulpit.

Two weeks ago, in Moscow, I saw a TV broadcast about Ivan the Terrible. It was done by Alexander Panchenko, a professor from Petersburg. I listened to him with pleasure and involuntarily compared him with Ryazanovsky. Panchenko spoke in an unhurried, thoughtful, witty, but not sharp manner. His speech was simple, expressive and devoid of outward effects. He spoke as if meditating and inviting others to meditate with him. His manner is much closer to me than Ryazanovsky's personae. However, I don't think he would enjoy the same success among American students. Americans like a show, dynamics and tempo.

Duncan's followers not at home in Manhattan

This explains perhaps why the followers of Isadora Duncan (like, incidentally, Duncan herself in the beginning of her career) feel lonely in the United States. The head of their studio, plastic and feminine Jean Bressiani, invited me to give a lesson in "Alexeyevan gymnastics," a system devised by the wonderful teacher Lyudmila Alexeyeva in Russia early this century. The Duncan followers worked in the very centre of Manhattan, in one of the halls of the office where acting auditions were being held for Broadway theatres on that day. I could hardly squeeze through a picturesque crowd of candidates to get into the hall where dancers in violet, pink or blue tunics were standing, sitting or limbering up.

Jean Bressiani introduced me to the dancers and offered the students to improvise on the subjects of my verses. "Why don't you go when you're set free?" Jean read out. Silence fell. The dancers sat motionless, thinking over what they had just heard. The music rang out, coming to life right there under the pianist's fingers, the action began. It was not a dance or pantomime, but something like a combination of both. Each dancer moved by herself, sometimes entering into wordless contact with her neighbours. No one had the slightest desire to produce a striking impression, to stun the audience with a spectacular pose. It even seemed that the women forgot about the audience and everything except the dance. Beside me, on the floor, was a long-haired girl. When music was heard she remained sitting as if only gradually coming to life. She made an attempt to rise, tear herself away from the earth. At first it was a weak and then a disperate attempt to rise, free herself, but she remained fixed to the spot.

"Why don't you go when you're set free?" A story, play, drama arose from one line. Gestures were born from within and they were prompted by feelings. The movements were simple and natural, very close to the system devised by Alexeyeva and practised by me for over 20 years. In that strange studio in the centre of Manhattan I probably sensed for the first time what I was searching for. The girl who struck me especially offered to take us home. It turned out that she was a student at the dance department of New York University. She had tried many various styles and chose the Duncan one. "It offers more possibilities to express oneself," she said.

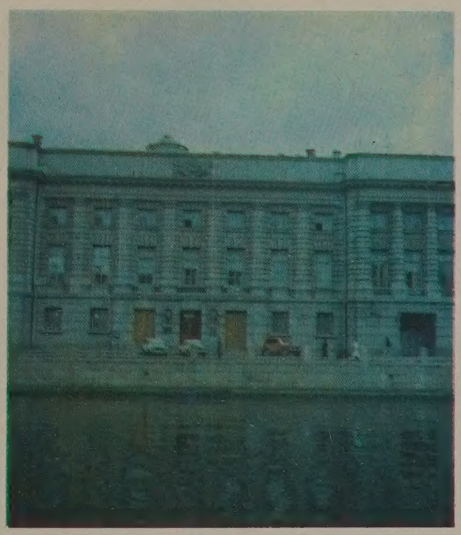
People like that girl live in the world according to the criteria which are close to me. It is perhaps for this reason that they feel lonely in the States, as they themselves admitted.

One and a half months – is it a long or short period? Taking in much and sincerely admiring many things, I repeated to myself like the above-mentioned Levsha from Leskov's story: "Thank you for the entertainment. I enjoyed it very much and saw and heard everything I wanted. But now I want to get home as soon as possible." In Moscow, passing through the customs and smart and importunate dealers, we drove along the familiar route, past grey blocks of flats, queues and drunkards, along the bumpy road. My eyes rested from the diversity of colours and lustre and my ears from alien sounds while my soul... I don't know from what it rests now and what it needs.

Larisa Miller,
poet

Bank Saint Petersburg PLC is the leading bank in Saint Petersburg

Bank Saint Petersburg contributes to the promotion of a financial-credit basis for the local self-government and Saint Petersburg Region free economic zone, the realization of Saint Petersburg Region economic and social development programs. The Bank finances the expansion of consumer goods productions, services, housing and social infrastructure construction. Considerable resources are being allotted by the Bank for the restoration of the Saint Petersburg's historical centre, cultural relics, monuments and renown architecture.



BANK
SAINT
PETERSBURG

● Being a universal bank, Bank Saint Petersburg offers to its customers a wide range of banking operations and services: crediting, depositing, factoring and leasing operations, issuance, buying and selling of securities and other payment instruments, issuing of warranties and letters of commission; storage of valued items; advise and information services.

● The Bank's Statutary Fund amounts to 500 million rubles. New organizations, including joint ventures and foreign firms, may become shareholders of the Bank.

● The Bank actively works at expanding foreign economic relations. It is entitled to open ruble accounts on behalf of foreign and international banks as well as firms and organizations for their conducting of credit-settlement operations. It has a licence for worldwide operations with currency.

● Bank Saint Petersburg wa established on the joint-stoc basis. The founders of the Bank are 25 largest enterprises and organizatior in the city, among them: the Baltic Shipping Company, Lentextile, Lenvest concern, Lenmetropoliten and others.

● The Bank has 18 branches in almost all districts of the city. It can establish branche and agencies both in Russia and abroad.

● If you wish to acquire trustworthy partners in Russi and to invest your money profitably, while promoting the renaissance of Saint Petersburg – welcome to Bank Saint Petersburg.

OUR ADDRESS:

70/72, Fontanka Embankment, Saint Petersburg, 191038
Tel.: (812) 219-80-71, (812) 219-80-48. Fax (812) 315-83-27, (812) 311-34-53

The Orsk-Khalilovo integrated iron and steel works is a large enterprise with a full metallurgical cycle.

Its steel is widely used in the construction of gas and oil pipelines, ocean vessels, bridges and in the manufacture of equipment for atomic power plants, electric motor shafts and railway car axles, agricultural machines and household appliances.

The Orsk-Khalilovo works is the only enterprise in the metallurgical industry to have a certificate that its products are new and highly effective.

In view of this its products are manufactured to desired specifications. Their technical standards exceed the domestic and foreign ones, in particular, 1.2 to 2.4 times in geometric parametres, 2 times in a fraction of the total mass of sulphur and phosphorus, 2.26 times in a fraction of the total mass of residual elements, 1.17 to 1.42 times in their strength. Besides this they contain a number of additional features. The result is that the Orsk-Khalilovo works produces metal which can be used highly efficiently.

The Orsk-Khalilovo works has a certificate of the Lloyd Register for s

885 191DU1 XL 06/93 46620 186

Addre ...ovotroitsk, Orenburg Region, Zavodskaya Str. 1
Tel. 94-26-60 Teletype: 144898 Stal, 14482